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PLANNING A NEW FACTORY? Build in the benefits of an ATCOST STRUCTURAL FRAME

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NEWS SUMMARY

GENERAL BUSINESS

Alert for IRA bomb terror

High risk plants containing potentially explosive materials have been put on major alert...

Equities steady; Gold up \$2 3/4

EQUITIES held steady in the face of industrial news and helped by good results from Grand Metropolitan...

Italy ultimatum

Italy's Communist Party has issued an ultimatum threatening to bring down Sig. Giulio Andreotti's minority Government...

Jerusalem blast

A bomb concealed in a tin can exploded in a crowded Jerusalem market, injuring 21 people...

Peace talks

U.S. mediators were thought to have made modest progress in talks with Israeli officials...

Plea rejected

Ayatollah Khomeini, the Shah's main opponent, rejected an appeal by President Carter...

Transplant fear

Heart transplant patient Mr. Charles McHugh has still not regained consciousness after the operation...

Greenland vote

Greenland's electorate approved by a vote of 70.1 per cent against 25.8 per cent the introduction of home rule...

Battle for port

Heavy fighting continued around Kampuchea's (Cambodia's) only deep-water port of Kampong Som...

Role reviewed

The Government is to conduct a study of the role of the Comptroller and Auditor General with a view to giving him wider powers...

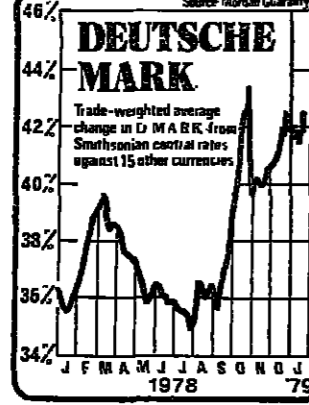
Briefly ...

Foreign Secretary Dr. David Owen's wife Deborah gave birth to their third child, a baby girl...

Biggest British television audience in 1978 was the 30m who watched the World Cup final between Argentina and Holland...

CHIEF PRICE CHANGES YESTERDAY

Table with 2 columns: Item and Price Change. Includes Treasury Var, Catalin, Daventry, Dixons, etc.



D-mark's trade-weighted average rose 0.1 per cent. The dollar's depreciation on Morgan Guaranty figures widened to 9.1 per cent from 9.0 per cent.

Ministers decide to delay calling State of Emergency

BY RICHARD EVANS, LOBBY EDITOR

The Cabinet decided yesterday that there should be no immediate declaration of a State of Emergency to meet the worst effects of the road haulage dispute...

The decision announced to the Commons by Mr. James Callaghan, was reached after three hours of Cabinet discussion...

Picket dies at oil depot

A 29-year-old picket was killed in Scotland yesterday when he was hit by a lorry which was leaving a Shell North-Sea-oil depot in Aberdeen...

Transport union sends new picketing code

BY OUR LABOUR STAFF

THE TRANSPORT and General Workers' Union yesterday launched a second attempt to control picketing in the road haulage dispute...

Bundesbank defies Bonn over anti-inflation moves

BY JONATHAN CARR IN BONN

THE BUNDESBANK has announced new measures to curb an increase in money supply and inflation against the advice of the West German Government...

Lloyd's brokers in £100m merger

FINANCIAL TIMES REPORTER

SEDGWICK FORBES and Bland Payne, major Lloyd's of London insurance brokers, yesterday unveiled their near £100m merger plan...

CONTENTS OF TODAY'S ISSUE

Table listing contents of the issue: European news, American news, Overseas news, World trade news, UK news-general, labour, etc.

FEATURES

Table listing features: Energy review, The Chinese economy, Brezhnev's Balkan appetite, Harcus and Carter find a compromise, etc.

Table listing FT SURVEY: Merseyside, etc.

Editorial comment Page 18 • UK 'likely to lose cab spy case' Page 5 • Rolls-Royce strike settled Page 6 • Strike effects and TGWU picketing code Page 7 • Parliament Page 12

other media. It was the first time for 46 years that there had been such a lorry strike and the union was trying very hard to ensure that people were caused the least amount of hardship...

Rail strike on Tuesday

Prospects of an early settlement to the rail dispute worsened yesterday when the train drivers' union ASLEF called a further one-day national strike...

£ in New York

Table showing exchange rates for £ in New York: 1 month, 3 months, 12 months.

URGENTLY REQUIRED ST. JAMES'S 12,500 sq. ft. - 20,000 sq. ft. Preferably self-contained office building freehold or long leasehold... Charles Price & Company

EUROPEAN NEWS

Oil supply 'in danger' if Veba-BP deal refused

BY ADRIAN DICKS IN BONN

WEST GERMANY'S long-term oil supply would be endangered, and several thousand jobs put at risk if Veba and British Petroleum are not allowed to go ahead with the DM 800m deal put forward last June...

the 25 per cent holding Veba wants to sell to BP in Ruhrgas, West Germany's biggest importer and distributor of natural gas...

NEO-FASCISM IN ITALY

Ventura's flight imperils Government

BY RUPERT CORNWELL IN ROME

THE ITALIAN Cabinet meets today to appoint a new national police chief, to replace Sig. Giuseppe Parlato, sacked after the escape of a second key defendant at the trial of those accused of the Milan bombing in 1969...



Fugitive Neo-Fascists Franco Freda and Giovanni Ventura

The belief remains widespread that the Italian secret service was connected with the affair, and has links with some of those on trial in Catanzaro...

Communists in their onslaught on the Christian Democrats. This, in turn, may precipitate the fall of the Government and, quite conceivably, an early general election.

Virgilio Rosconi, the interior Minister, who announced Sig. Parlato's sacking. With few exceptions, the Italian press yesterday took the view that the police chief had been made a scapegoat for the Government's

fallings. Oscar Luigi Scalfaro, Vice-President of Parliament and himself a Christian Democrat, declared that "only a weak and gravely inadequate state could pluck up the courage to retaliate so strongly against its own officials."

The Government's embarrassment has been compounded by the faintly ludicrous circumstances of Sig. Ventura's flight, two weeks before the trial was due to end...

He was only under house arrest, as a result of a recent law which limits the length of preventative detention before trial to two years...

Various theories have been constructed to explain exactly how he escaped. The most common are that he let himself down from a third-floor window, or that he slipped out disguised as a woman.

Two junior Ministers have been sent to Catanzaro and a warrant has been issued for Sig. Ventura's arrest...

But it is doubtful if this will be enough to repair the damage to the credibility of a Government which has been staking its survival on its ability to manage, and to persuade the population to accept austerity and restraint.

Blizzard delays Giscard's visit

BY DAVID WHITE

THE FRENCH President's aircraft turned back to Paris yesterday when a swirling blizzard prevented him from landing in Bucharest, where he was due to start a three-day official visit...

and the impossibility of keeping runways clear had won the day. The mishap came as a sharp disappointment to President Nicolas Ceausescu...

The importance of M. Giscard d'Estaing's arrival has been magnified by Romania's increasing signs of independence from Moscow...

across the bows of Romania and Yugoslavia, which have both refused to recognise the new Cambodian regime.

Brussels outlines rules on companies information

BY GILES MERRITT IN BRUSSELS

THE BRUSSELS Commission has outlined the third and last of a series of EEC directives that it is proposing should establish basic minima for information published by companies quoted on the Community's stock exchanges...

EEC fears for results of enlargement

By Brii Khindaria in Strasbourg

THE PLANNED enlargement of the EEC to include Portugal, Greece and Spain has raised fears in the European Parliament that the EEC's achievements may be threatened by the need to adapt to the newcomers...

Alarm at Italian wage demands

ROME—Italian metalworkers' contract demands would raise labour costs by 42.8 per cent by 1981. The association of managers of state industries (Inter-Sid) estimated...

Winter rocks Czechoslovakia

PRAGUE—The new year brief bout of winter weather has rocked Czechoslovakia...

Brussels tackles a gut issue

By Giles Merritt THE COMMON MARKET has reached a decision on a dispute which marks another milestone in its progress. For 'TV/C-29.290 Vaessen/Moris' is the docket code for a closely reasoned and suitably deadpan 10-page document which has just been handed down by the Brussels Commission as its decision on a dispute over artificial sausage skins...

Greenland votes for home rule

BY HILARY BARNES IN COPENHAGEN

BY A vote of 70.1 per cent for, and 25.8 per cent against, the Greenland electorate has approved the introduction of home rule from May 1 this year. The remaining 4.1 per cent of the votes in the referendum on Wednesday were either blank or spoiled...

Turks seek arms deal with U.S.

By Metin Mutlu in Ankara

TURKEY WANTS its new defence treaty with the U.S. to contain stipulations on joint manufacture of armaments and on economic assistance. A senior Foreign Ministry official told the Financial Times here yesterday...

Finnish industry's cautious view

BY OUR HELSINKI CORRESPONDENT

FINNISH industry expects the cyclical upturn that began to show itself in 1978 to continue but hardly to strengthen in the coming 12 months. That is the conclusion to be drawn from answers made by industrial companies in December to questionnaires issued by the Bank of Finland and the Confederation of Finnish Industries...

Danish party expulsions

BY OUR COPENHAGEN CORRESPONDENT

DEFENCE and Transport portfolios. The People's Movement is a non-party organisation, but as the Communist Party is alone among the Danish parties not fielding its own list of candidates, it was feared that the Movement's list would be dominated by Communists...

Alarm at Italian wage demands

ROME—Italian metalworkers' contract demands would raise labour costs by 42.8 per cent by 1981. The association of managers of state industries (Inter-Sid) estimated...

SOVIET-BULGARIAN RELATIONS

Though Comecon accounts for about 80 per cent of aggregate foreign trade, Bulgaria has to look to the West for many of its capital goods imports. Economic growth fell short of the planned targets in the first three years of the current Five Year Plan...

Brezhnev's Balkan apprentice

Bulgaria describes itself as the Soviet Union's "small loyal brother." Such fraternal sentiments worry Bulgaria's Balkan neighbours—Communist as well as non-Communist, while closer economic relations between Moscow and Sofia may well mean sacrificing certain Bulgarian economic ambitions. Paul Lendvai reports...

last year, it is feared that the Brezhnev mission will lead to institutional links between what the Bulgarian leader called "the great Soviet people and their small loyal brother, the Bulgarian people." The Yugoslav observers speak privately about the growing danger of Bulgaria's de facto incorporation into the Union of Socialist Soviet Republics...

also sharing a 325 mile common border with Yugoslavia and a 377 mile link (including a 292 mile stretch on the Danube) with Romania. The fact that Mr. Brezhnev crossed Romania by train on his way from Soviet Moldavia to Bulgaria without stopping to see Mr. Nicolae Ceausescu, the Romanian President, was criticised by some Soviet sources as a deliberate snub to the Romanian leader who publicly condemned the invasion of Cambodia and previously criticised Warsaw Pact demands for increased defence spending...

OVERSEAS NEWS

Rhodesia focusses on U.S. after talks plan dropped

BY TONY HAWKINS IN SALISBURY

BECAUSE BRITAIN is not capable of statesmanlike action in Africa, the Rhodesian transition government will from now on devote its efforts to achieving a better understanding with the U.S. Mr. Peter Van der Byl, the Rhodesian Foreign Minister, said yesterday.

Assets frozen in S. Africa inquiry

BY QUENTIN FEEL IN JOHANNESBURG

THE ASSETS of a Panamanian-registered company in South Africa have been frozen by the South African reserve bank in the course of inquiries into the secret activities of the former Department of Information.

Discussions on Namibia resume

BY OUR JOHANNESBURG CORRESPONDENT

UNITED NATIONS and South African officials flew from Namibia (South-West Africa) to Cape Town yesterday for further talks on plans for a UN supervised election in the disputed territory, with the future of the whole operation still in the balance.

Ayatollah rejects peace envoy from Bakhtiar

TEHRAN — Iran's Regency Council yesterday sent one of its members to talks to the Shah's chief political enemy, Ayatollah Ruhollah Khomeini, who is living near Paris.

Khmer Rouge prove they retain fighting capacity

FIGHTING continued for the third day in and around Cambodia's only deep-water port, Kampong Som, and although few observers doubt that Vietnam's superior force will regain full control of this strategic asset, the surprising Khmer Rouge comeback implies a greater fighting capability than previously thought.

Atherton talks make progress

By David Lannon in Tel Aviv

AMERICAN MEDIATORS are believed to have made modest progress in their discussions with Israeli officials yesterday aimed at resolving some of the deadlocked issues in the Middle East peace negotiations.

THE U.S.-PHILIPPINES SECURITY AGREEMENT Marcos and Carter find a compromise

BY HARVEY STOCKWIN IN HONG-KONG

WASHINGTON'S RECENT security agreement with the Philippines has given a measure of reassurance to President Ferdinand Marcos and has gone some way towards restoring South-East Asia's flagging confidence in the U.S. commitment to the region.

The U.S.-Philippines agreement on American bases in the country has resolved a key security issue in Southeast Asia. President Marcos of the Philippines has had to balance the demands of defence strategy and Filipino nationalism; while President Carter has had to make concessions too.

since the U.S. obtained vast bases, along with extra-territorial rights on 99-year leases, soon after the Philippines became independent in 1946. President Marcos has had to reconcile nationalist demands for changes in the U.S. bases with discreet pressure from China, Japan and his ASEAN partners for the bases to be retained.

Kenning's £12 million shopping list.

Advertisement for Kenning Car Hire listing various car models such as MINI 850, CITROEN DYANE 6, MARINA 1700 HL, TOYOTA CARINA 1600, SHERPA MINI BUS, FORD TRANSIT MINI BUS, etc.

When you've built a reputation for self drive and contract hire, you have to make the buying decisions that will help you keep it.

Twelve months in a hire fleet must be one of the toughest tests you could devise for a vehicle. And in 1979, Kenning will again be submitting thousands of BL cars and vans to this treatment.



AMERICAN NEWS

WORLD TRADE NEWS

Governor closes the prison gates

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

ANOTHER U.S. state, this time Tennessee, has this week found the transition from one Governor to another, fraught with bizarre problems.

Governor Blanton's aim to reduce the prison population has been an issue in Tennessee for the last year and many Democrats ascribe the defeat of their candidate for the governorship last November to this issue.

This week's actions have been forthcoming. Mr. Blanton merely said that he was under court order to reduce overcrowding in the State's prisons, but his real motives remain a mystery.

It's a terrible embarrassment," he said later. "There is such a thing as courtesy." Mr. Alexander observed that "these are not happy days for Tennessee."

Britain in £36m deal with Soviet Union

By Kevin Done

Woodhall-Duckham and the Turner and Newall group have been awarded a £36m contract by the Soviet Union for the construction of a glass fibre plant.

Zimmer wins China order for \$218m polyester plant

BY GUY HAWTIN IN FRANKFURT

China has placed an order for the world's largest polyester polycondensation plant with a West German group. The plant, to cost close on DM 400m (\$218m) is due to come on stream in 1982-83.

The group has a much smaller polyester polycondensation plant under construction in China under a contract handed in 1977. This, however, is geared to produce only 120 tonnes of the intermediate product for polyester fibres per day.

Bank offers cash to kidnapers

Negotiations continue over cash payments between the Bank of London and South America, a London Bank subsidiary, and the guerrilla captors of the two British bankers paid to be alive and well who were kidnapped in San Salvador, the capital of the Central American state of El Salvador, at the end of November, Hugh O'Shaughnessy writes.

World Bank increases oil, gas development lending

BY DAVID BUCHAN IN WASHINGTON

WORLD BANK lending for oil and gas development in the Third World will increase to \$500m in 1979/80 and to an annual level of \$1bn by 1983, under a plan approved by its Board this week.

The stepped-up programme, endorsed by western leaders at last summer's economic summit in Bonn, will double the proportion of the bank's loans going to the energy sector. It is particularly aimed at alleviating the burden on the poorest developing countries of the continual climb in OPEC oil prices.

Of the projects under preparation, half are for the development of known, but previously unexplored, natural gas deposits found in Egypt, Thailand, and Tunisia. Others are for "secondary recovery" in countries, such as Bolivia and Ecuador, where oil production and reserves have been declining.

Japan Air Lines in hotel talks

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN AIR LINES has offered to help China build and operate a chain of luxury hotels designed to accommodate tourists. The plan calls for three 1,000-room hotels to be built in Peking, Shanghai and Canton.

India to buy Boeings

BY WILLIAM DUFFICE IN STOCKHOLM

NEW DELHI—India will buy three more Boeing 747 jumbo jets and three Boeing 737s for nearly \$180m, a Government spokesman said yesterday.

The 747s are for the Government-owned international airline, Air-India, while the domestic Indian airlines will be getting the 737s, according to the Ministry of Tourism and Civil Aviation.

Fears that the situation of Mr. Lane Massie and Mr. Michael Chatterton, the two Lloyds men, could be complicated by the actions of left wing demonstrators who occupied the Mexican embassy and other offices on Tuesday were dissipated when the Mexican Government granted political asylum to the demonstrators.

Swedish thaw



President Jimmy Carter yesterday met Sweden's Prime Minister Ola Ullsten, above the first such White House visit since the U.S.-Swedish dispute over the Vietnam war. The visit symbolises a "considerable thaw" between the nations, after their bitter dispute. For a time Washington recalled its ambassador from Stockholm during the war.

Fuel consumption slows down

BY DAVID LASCELLES IN NEW YORK

FUEL Conservation measures in the U.S. are beginning to bite, but thanks to industry and the homeowner, rather than the motorist.

According to the American Petroleum Institute, the trade group which monitors oil statistics, demand for oil averaged 18.7m barrels a day last year, only 1.4 per cent up on 1977. This was considerably lower than the two previous years when it was above 5 per cent each time, and it is strikingly low for a non-recession year.

Despite these improvements there did not appear to be any change in the U.S.'s fuel demand in 1978. The API said oil met 94 per cent of total U.S. energy demand, little changed from the previous year.

UK trade remains in deficit

By David Satter in Moscow

THE VALUE of British exports to the Soviet Union rose 23 per cent during 1978 over the previous year as deliveries of power generating and plant equipment pushed up the export total.

Distillers to raise Scotch whisky prices by 12%

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE DISTILLERS Company yesterday announced a 12 per cent price rise for its standard brands of Scotch whisky bottled in Scotland and exported to the U.S. and EEC countries.

State aid wins ferry order for Swedyard

By William Duffice in Stockholm

AN ORDER worth SKr 600m (\$138m) from Sweden's Sessan Line for two large ferries has gone to the Arendal Shipyard in Gothenburg after competition from yards in six other countries including West Germany.

General Mining Group COAL MINING COMPANIES REPORTS FOR THE QUARTER ENDED 31 DECEMBER 1978. Includes financial tables for Trans-Natal Coal Corporation Limited and The Clydesdale (Transvaal) Collieries Limited.

Preferential overdrafts for Carter

By Our Washington Correspondent

PRESIDENT CARTER'S family peanut business received preferential treatment in the form of extended overdrafts and reduced interest rates from the National Bank of Georgia (NBG), under pressure from its former president, Mr. Bert Lance.

This emerges from a special report by two NBG directors, prepared as part of a negotiated settlement of a Securities and Exchange Commission (SEC) suit against Mr. Lance and the bank.

Dominica signs Caracas pact

By Hugh O'Shaughnessy

VENEZUELA has taken a further step in its progressive involvement with the Commonwealth countries of the Caribbean by signing a diplomatic and economic agreement with the newly independent state of Dominica.

Figures released by the British Embassy show, however, that the UK—alone among the Soviet Union's major western trading partners—still has a chronic deficit in Soviet goods and commercial sources said that less than half of the \$950m Anglo-Soviet export credit established in 1975 has been taken up.

Russia warned on China trade

By Anthony Robinson

MR. DOUGLAS HURD, the Conservative Party spokesman on Europe, yesterday advised the Soviet Union not to interfere in UK trade with China.

Disillers in the largest producer of Scotch whisky in the UK and last year had total export sales of over £300m. For the U.S. market, the price of standard brands will increase from \$20.02 gross to \$22.42 gross per case of 12 bottles.

Middle managers—the key

BY MARGARET HUGHES

THE MOST important difference between Britain's export operations and those of its main EEC competitors, France and West Germany, is the role of middle management. At the same time the main limitation imposed on Britain's export effort is inadequate production capacity.

Britain's 80 per cent—are in level so that after tax earnings are much larger. One of the most lasting impressions of the survey, Mr. Tessler said, was the lack of adequate production capacity in Britain to meet the orders generated by export managers and their salesmen.

This he attributed to the low profits level which meant that exporting companies were unable to instal new manufacturing capacity. As many as 61 per cent of UK companies felt that their sales abroad would be bigger if they could offer quicker delivery. In many companies export sales are instructed not to press too vigorously for orders so as to maintain the required "balance" between productivity and demand. Shortage of skilled labour was also cited as an important limitation in Britain.

UK NEWS

Profits warning on price rise delay

By Our Consumer Affairs Correspondent
A LEADING firm of stockbrokers yesterday predicted that many companies' profits could be adversely affected if the Government's plans to scrap the safeguard regulations are implemented.

Phillips and Drew point out in a circular on the proposed changes that "without an interim award, many companies could be pushed into a break-even situation during the four-month investigation period."

The effect on profits "will plainly be adverse," it says, but the degree will depend on the Price Commission's attitude and the number and type of investigations which take place.

Longer freeze
The safeguard regulations basically ensure that profit margins do not fall below certain levels during the three-month Price Commission investigation.

Phillips and Drew suggest that companies likely to be first to face the strengthened Price Commission could be the major brewery companies who are seeking an average 3p per pint price rise.

At this time it is impossible Price Commission would take, but without an interim award there would be a not inconsiderable loss of profits.

Southwark town hall plan approved
By Paul Taylor
THE LABOUR - controlled London Borough of Southwark yesterday approved controversial plans to build a new town hall complex after a noisy six-hour debate.

Mr. Peter Shore, Environment Secretary, is considering the plan, which has caused a wave of public protest in Southwark and a split in council's Labour Party group.

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Woolwich chief warns of mortgage famine

BY EAMONN FINGLETON AND MICHAEL CASSELL
HOME BUYERS face a mortgage famine this year, a building society leader said yesterday.

Mr. Alan Cumming, chief general manager of the Woolwich Equitable, said that the society was being forced to cut by one-fifth the number of mortgages granted in the first six months.

Expansion
Societies would probably wait two or three months after any general reduction in City interest rates before making a cut.

Mr. Cumming was announcing the Woolwich's figures for last year, and said he could see no early cut in the present 11 1/2 per cent mortgage rate.

Any remaining whisky used in promotions for charity or for sale on the UK market. The tighter Customs and Excise controls came after criticism from the Commons Public Accounts Committee that the amount "lost" on duty-free samples from all spirits approached £7m a year.

Spanish team to visit Gatwick
BY MICHAEL DONNE, AEROSPACE CORRESPONDENT
A DELEGATION from the Spanish Government is to visit the UK next week to see what Gatwick has to offer as an alternative to London's Heathrow airport.

The visit is seen as a major development in the dispute between the UK and Spanish Governments over the British Department of Trade's insistence that Iberia, the Spanish airline, move its flights to Gatwick from Heathrow to ease congestion.

Money supply rises by 1%
BY DAVID FREUD
MONEY SUPPLY on the broader definition of sterling M3, including cash, current and seven-day deposits, rose 1 per cent in the four weeks to mid-December.

Table with 4 columns: Money Stock M1, Money Stock M3, Bank lending, Domestic credit expansion. Rows show quarterly data from Dec 14 1977 to Dec 13 1978.

Welsh Assembly 'a financial snip'
BY ROBIN REEVES, WELSH CORRESPONDENT
A WELSH ASSEMBLY would be a bargain for Welsh taxpayers, costing them only 1p per person per week, or less than the price of a packet of cigarettes a year, according to its Welsh supporters.

Approval sought for £200m coal plan

BY JOHN LLOYD
THE SOUTH Wales area of the National Coal Board will seek approval soon for a large investment programme, spread over the next five years, thought to cost about £200m.

A paper, containing proposals for putting the coal field—which lost £27m last year—back on a proper financial footing, will be presented on Monday to a meeting of a group set up to study the problems of South Wales by Mr. Phillip Weekes, the area director.

Closures
It is thought that his proposals will include suggestions for the closure of some of the more uneconomic collieries in the area.

Mr. Emlyn Williams, president of the South Wales union, said yesterday: "There is more feeling in the union on closure than there is even on wages."

Sharp rise in orders for machine tools
BY HAZEL DUFFY, Industrial Correspondent
A BUOYANT intake of orders for the machine tool industry is shown in official figures published in Trade and Industry today.

Water workers action threat even if settlement reached
BY PAULINE CLARK, LABOUR STAFF
THE NATIONAL Union of Public Employees, representing 30 per cent of the country's water an sewage workers, said yesterday that its water workers would take part in the national campaign of action by public service workers from next week.

Telecommunications warning
FINANCIAL TIMES REPORTER
THE POST OFFICE Engineering Union would fight any attempt to break up the Post Office's monopoly over telecommunications, Mr. Roger Dorrington, a union research officer, told the Conservative Computer Forum last night.

Rolls workers accept 'pay guideline' deal

BY PAULINE CLARK, LABOUR STAFF
ROLLS ROYCE claimed a major victory yesterday in its battle to keep pay increases within Government guidelines when 1,500 workers at its Barnoldswick plant, Lancashire, ended their nine-week-old pay strike.

A mass meeting of the strikers voted overwhelmingly for an immediate return to work after further consideration of a previous company offer.

This included a basic pay increase within Government guidelines with provision for another 14.5 per cent through a self-financing productivity deal.

Shop stewards had recommended a continuation of the strike after challenging an instruction last week by the executive of the Amalgamated Union of Engineering Workers to call off the action.

Water workers action threat even if settlement reached
BY PAULINE CLARK, LABOUR STAFF
THE NATIONAL Union of Public Employees, representing 30 per cent of the country's water an sewage workers, said yesterday that its water workers would take part in the national campaign of action by public service workers from next week.

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Teachers give 'fair deal' warning

By Michael Dixon, Education Correspondent
WARNING of severe consequences for schools unless teachers in England and Wales received a 'fair' pay increase on April 1 is given in a pamphlet published today by the National Union of Teachers.

Although this year's claim for 468,000 State school teachers has not been formulated yet, the NUT has an absolute majority in the union's panel of the Burnham Committee, which will work out the pay demand this month.

The pamphlet - kept behind the teachers' case for fair pay - argues that an average rise of about 30 per cent is needed to restore schoolteachers to the salary position, relative to that of comparable workers, which they were accorded by the official Houghton Inquiry in 1974.

Times union to continue closure fight
UNIONS REPRESENTING 3,000 Times Newspaper employees decided yesterday to continue to fight the closure of The Times and Sunday Times.

Allen to quit USDAW post
LORD ALLEN, chairman of the UK Economic Council, is to retire as general secretary of the Union of Shop, Distributive and Allied Workers in July.

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ABOUT 3,000 members of the Royal College of Nursing gathered in Westminster yesterday for a rally over pay.

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BY PAULINE CLARK, LABOUR STAFF
THE NATIONAL Union of Public Employees, representing 30 per cent of the country's water an sewage workers, said yesterday that its water workers would take part in the national campaign of action by public service workers from next week.

THE PROPERTY MARKET BY JOHN BRENNAN

EPC: trapped by a friend

EAGLE STAR Insurance lit a timefuse under English Property Corporation's independence on Wednesday.

forced the pace, and Eagle Star has now stepped in to defend EPC from what it probably sees as a "scavenger" bid.

Some weeks

One possible outcome is that Eagle Star will hold talks with EPC (each joint director wearing a clear label to ensure that he does not stray onto the wrong side of the discussion) and an agreement to bid will be reached.

Agreed bid

In the event, no agreement was reached. But in a second series of talks lasting until the autumn, Wereldhave did finally reach agreement in principle to buy EPC's overseas properties.

A spokesman for Hill Samuel which is acting for the insurance group said on Wednesday that "in a fairly troubled company like EPC I think it is pretty clear that no one would expect the information in the published account to be sufficient to make a bid, and so these talks and the information gathering work are likely to last a couple of weeks and would take rather longer if a formal offer is mounted. If an offer is made, EPC shareholders fare a straightforward auction for their stock.

Wereldhave would clearly be allowed to extend its bid until Eagle Star's discussions were completed and its Dutch institutional backers would almost certainly match, and try to top any marginally higher offer. But an Eagle Star offer straying into the high 40s could leave it with

a clear field if Mr. van Dijk believes even half of his battery of criticisms about EPC's real worth. There is very little chance of Eagle Star producing an offer much higher than Wereldhave's. The insurance group would have problems enough trying to convince its own shareholders that EPC—with its £4bn debts, revenue losses and exhausting demands on management—is a logical purchase without also trying to argue the case for a generous price.

Auction

A straightforward auction for EPC between Wereldhave and Eagle Star is, therefore, possible. But EPC shareholders could only hope for bids and counter-bids of a few pence above the base price of 37p set by Wereldhave. Market speculation suggests the mid-40s as a top price for the Dutch bidders.

It is also conceivable that EPC and Eagle Star will not reach agreement and that no formal offer will be made. In that case, Wednesday's approach would have placed every card in the pack into Mr. van Dijk's hands. As Morgan Grenfell, his advisers, comment, "if they (Eagle Star) do not know what EPC is worth, no one does." And if, having updated their information on EPC, Eagle Star then decided not to bid, EPC shareholders would be forced to the conclusion that the Dutch group's offer is the best they can hope for.

Discussions not leading to a bid, but merely to a statement reiterating Eagle Star's confidence in EPC's future would look very lame indeed. Eagle Star raised the hopes of EPC's 23,000 shareholders by its announcement. If those hopes are dashed, Wereldhave will reap the benefit.

Scotland: office rents soar but industrials falter

SCOTLAND is receiving an ever decreasing share of central Government regional aid and at the same time it faces a decline in private sector industrial investment. This cheerless view of the Scottish economy emerges from the third survey of the region's industrial property market commissioned by Edinburgh agents Kenneth Ryden and Partners and carried out by Professor Donald MacKay of Heriot-Watt University.

The review, published on Wednesday, takes the line that the Government's "short term" financial mismanagement will have real long term consequences. This short term "mismanagement" has, according to Professor MacKay, resulted in a wages-led overheating of the domestic economy, "an old-fashioned consumer boom which will result in the crowding out of private investment." North Sea oil receipts have helped to

crutch, and Eagle Star would hardly put itself into such a situation.

No compromise

Wednesday's approach also rules out most compromise moves. It is particularly clear that any repetition of the 1976 operation when the insurer bought £50m of EPC's better properties. With bids in the air and shareholders taking a keen interest in events, any attempt by Eagle Star to repeat the operation would have it open to accusations by EPC's shareholders and Wereldhave of stripping the portfolio. If, on the other hand, it accepted secondary or development properties, the

insurance would face an outcry from its own shareholders.

Anything can happen in a bid battle. EPC might emerge triumphant independent if it pulls off a series of management miracles on a par with this week's sale of the Nice development at a profit. The Bronfman family, which controls the other half of EPC's Canadian-based Trizec associate might well enter the ring as a partial bidder. And Wereldhave's groundwork might look sound enough to other overseas institutions to tempt them into a bid. But there are very long shots. It does look as if Wednesday's approach by Eagle Star has, unintentionally, signed EPC's death warrant.

IN BRIEF

AGENCY MEN will appreciate one side-effect of this week's merger of accountants Whinney Murray and Turquand's Barton Mayhew. The merger, creating the third largest accountancy firm in Britain, also creates an immediate need for a Central London headquarters, office of around 125,000 square feet.

The firms' existing buildings, at Lynton House, in Tavistock Square, WC1, and at 57, Chiswell Street, EC1, house around 1,300 London staff in what a Whinney Murray spokesman describes as "thoroughly unsatisfactory offices."

As the merger talks were carried out in secret, neither firm has been able to announce its need for a single major modern office or test the very narrow market for such buildings in central London. But at least Town and City's Gamages development on Holborn appears to be out of running: "too little car-parking," say the accountants.

If they really do need 125,000 modern square feet of offices in the centre with appropriate car parking, perhaps the firms should have stayed single. But hope springs eternal, and any suggestions would no doubt be welcome.

sector spending was taking up the slack in the economy. But the Professor shows that between 1976-77 and 1977-78 expenditure on regional aid in Scotland fell from £216m to £144m, a fall of one-third in money terms and of 40 per cent in real terms.

The Professor believes that the Scottish Development Agency, set up to stimulate industrial investment, is unlikely to have more than a "modest" impact on market. The SDA's expenditure on industrial development is unlikely to exceed £24m a year over the next five years, and that is less than one-third of the money made available to Scottish businessmen under the now defunct regional employment premium. As he says, "the arithmetic demonstrates that any major increase in manufacturing investment must depend on the private sector" but as we have seen, there is little hope of a marked revival of private investment.

This adds up to an uninspiring picture of the Scottish industrial property market. The consumer spending boom may have boosted letting demand for warehouses. But Ryden reports no dramatic change in industrial rents, just a steady rise that parallels the continued growth in construction costs.

On a region-by-region breakdown of new industrial space, Ryden shows that there is now 524,340 sq feet of completed but empty space in the Lothian region around Edinburgh, with a further 680,000 sq feet of additional units that could be developed.

Comparable figures for Strathclyde—the main industrial belt around Glasgow—are 275m sq feet of empty buildings and 882,000 sq feet of space that could be built. In Fife, 129,000 sq feet are vacant while in the Central Region, north of Glasgow, 109,000 sq feet are available with another 280,900 sq feet of developable units. Fife has 194,000 sq feet empty and the Grampians, including Aberdeen (where asking rents touch £1.75 a sq foot), have 280,000 sq feet of vacant units.

and 250,000 sq feet on the drawing board. The Borders Region has 89,000 sq feet free, Dumfries and Galloway 57,600 sq feet and the Highland region 41,500 sq feet of industrial units ready to rent.

£4 barrier

Scottish offices look a far more dynamic market in Ryden's accompanying survey of Edinburgh and Glasgow. Lettings took 339,000 sq ft of offices off the Edinburgh market last year leaving just 753,258 sq ft on the market at rents of up to £8 a sq ft for central but unrefurbished older space, and up to £5 a sq ft for modern property.

In Glasgow Ryden believes that the shortage of good space has forced rents through the £4 sq ft barrier for the first time. Lettings in the city currently run at a rate of 325,000 sq ft a year. But there is only 445,000 sq ft of accommodation left on the market or due for completion in 1979 and a quarter of that total is in older secondary buildings.

Property Deals appears on Page 10

INDUSTRIAL AND BUSINESS PROPERTY

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UK NEWS - PARLIAMENT and POLITICS

PM accused of weak approach to crisis

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT



Ministers leaving yesterday's Cabinet meeting

MRS. MARGARET THATCHER, Leader of the Opposition, last night abandoned her low key approach to the road haulage strike and accused the Prime Minister of adopting a "weak and complacent approach" to the industrial crisis facing the country.

code of practice. She reminded him that the main reason for the union declaring the strike official had been to assert full control over the pickets.

Tories asking him to clarify this. Was he suggesting that a legal code would be introduced by the Labour Government or by a future Conservative administration? The Prime Minister, however, did not reply on this point.

Tories see a state of anarchy

BY PHILIP RAWSTORNE

CONSERVATIVES, storming over the chaotic industrial front, yesterday beleaguered the Government for nearly three hours in the Commons.

Ministers pray for a Freudian slip

BY ELINOR GOODMAN, LOBBY STAFF

TODAY, one of the Labour Party's pious promises will come home to roost in the embarrassing way that manifesto commitments tend to do.

MPs to vote against the Bill would not have worked, as only those interested in the subject are likely to be in the House on a Friday.

The White Paper was distinctly lukewarm about the possibility of introducing a sub-scale Information Act. These reservations about the desirability of such a piece of legislation still exist.

Healey rejects food plan

BY IVOR OWEN

THE Government's determination to protect British consumers from the big increase in food prices which would result from the phasing out of the system of Monetary Compensatory Amounts operated under the EEC Farm Policy was underlined by Mr. Denis Healey, Chancellor of the Exchequer, in the Commons yesterday.

Healey's 'unpopular measures' anger Labour leftwingers

BY IVOR OWEN

A RENEWED warning by Mr. Denis Healey, the Chancellor, that inflationary wage increases may force the Government to introduce "unpopular measures" met a hostile response from Labour leftwingers in the Commons yesterday.

political difficulties, the threat to increase taxes or cut public expenditure could not be implemented had that the only action open to him was to introduce even higher interest rates.

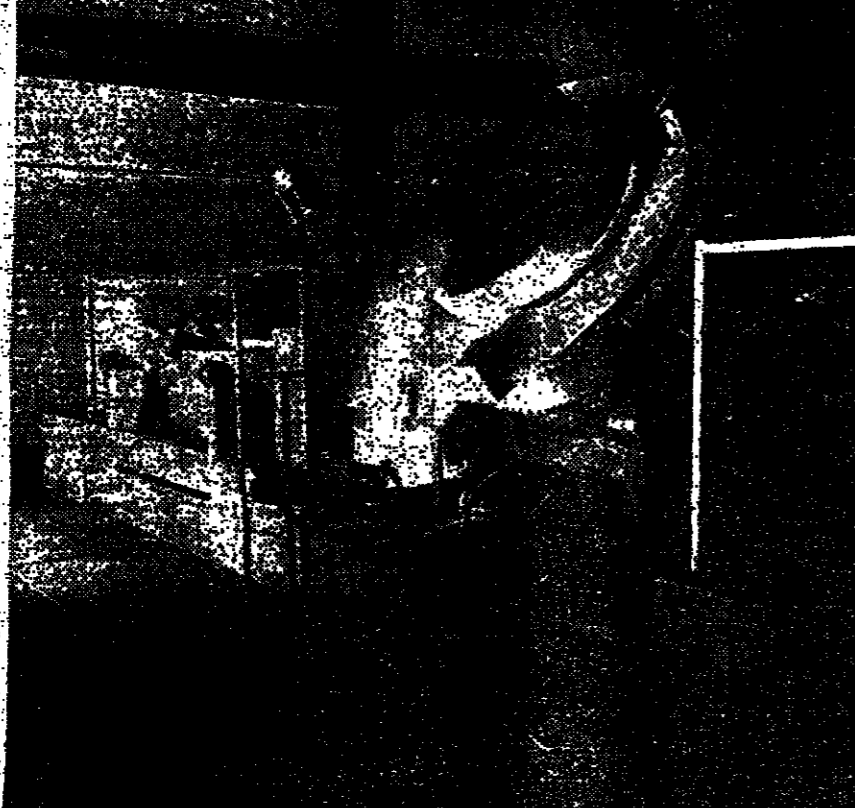
should recognise that the trade union movement, after operating with the earlier stages of income policy, was not prepared to accept Phase Four.

Advertisement for Griffin Factors Limited. Features a large image of a rope and the headline "Success can quite take your breath away." Text describes the company's services in providing credit control and working capital management.

Advertisement for the Financial Times World Hotel Directory. Headline: "Another business trip? Looking for the right place to stay?" Text describes the directory's features and provides an order form.

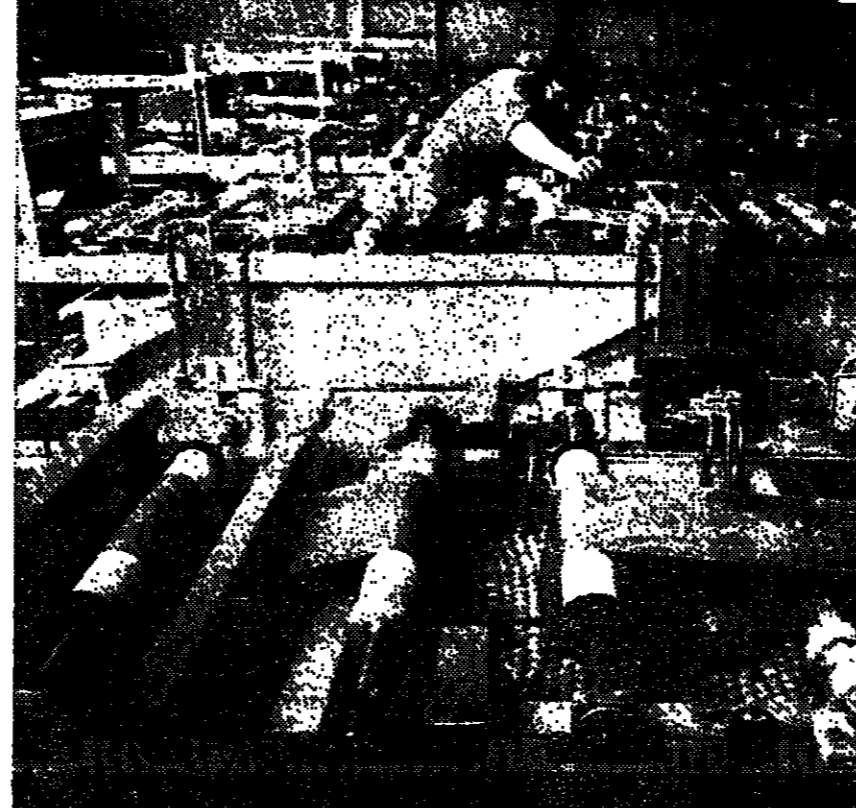
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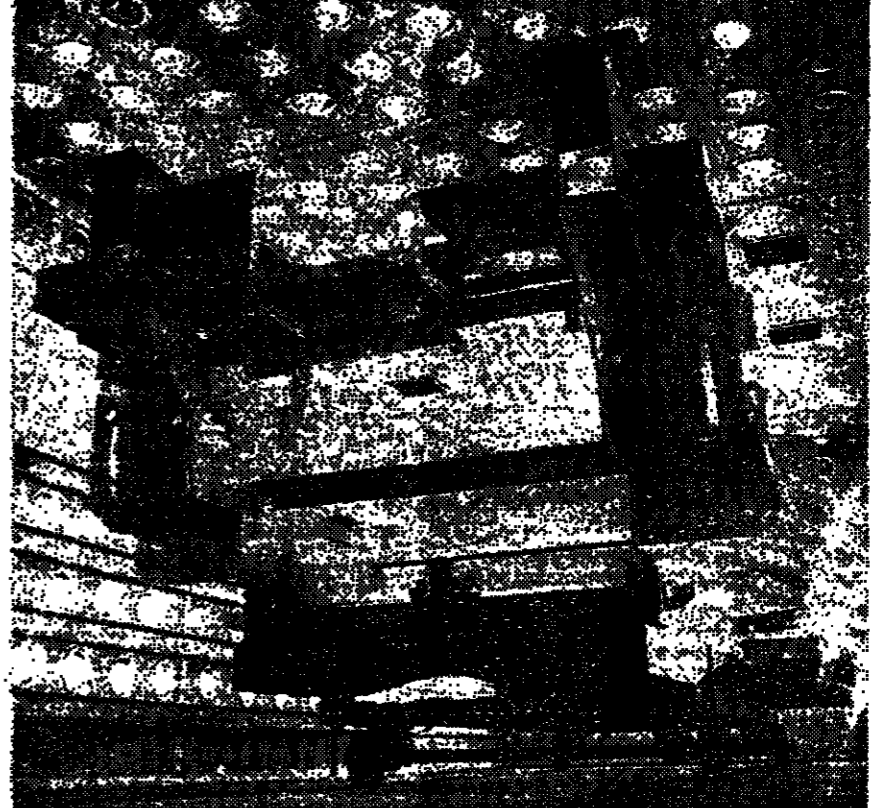
Electric melting gives lower operating costs and greater productivity

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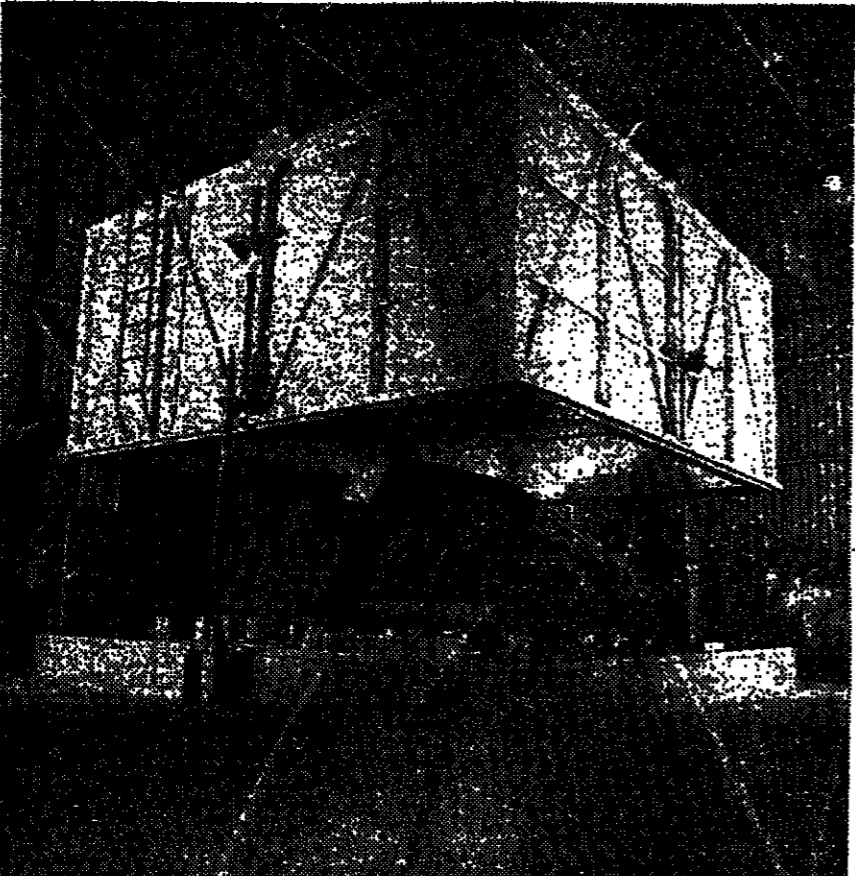
Electric vat heating gives more economic anodising

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Electric infra-red oven speeds paint drying

Stainless Metalcraft Limited, Chatteris



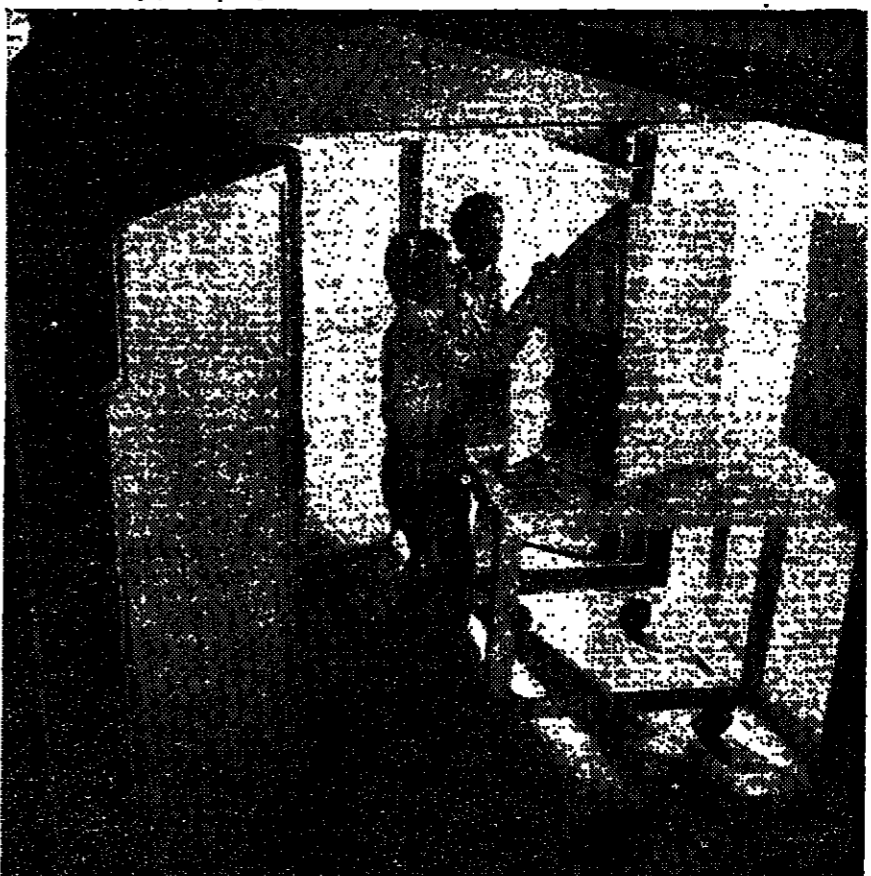
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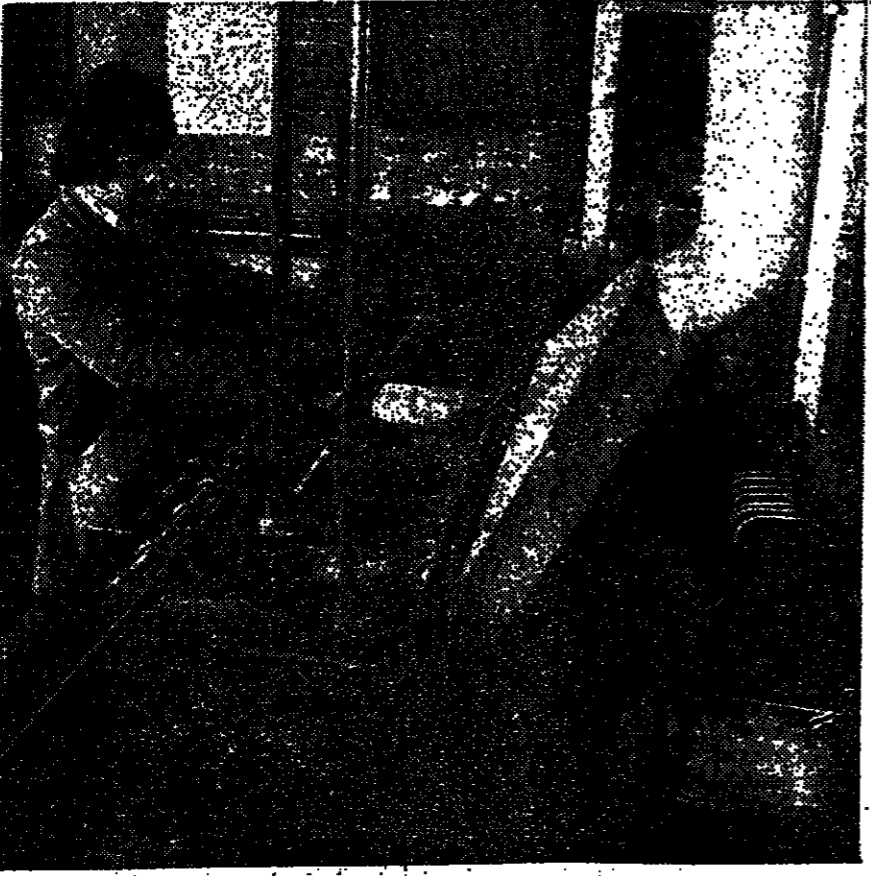
Lower reject rate with electric infra-red ink drying

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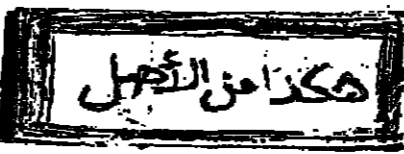
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THE MANAGEMENT PAGE



EDITED BY CHRISTOPHER LORENZ

A cure for the ills of product design

BY CHRISTOPHER LORENZ

UNDERLYING almost all the "managerial" recommendations of the Corfield Report are five fundamental arguments:

- That the product design function should be a board-level responsibility...
• That design criteria should cover much more than mere aesthetics...
• That the identification of a market need or want should be the very first phase of the product innovation process...



Kenneth Corfield

OVER the last 18 months leading figures from British industry and government, including the Prime Minister and many lesser mortals, have held forth in public and at length about the importance of better designed engineering products to the nation's export drive.

Some companies have doubtless begun to devote more attention to the design of their products. But others, convinced that design can be a risky business, have been waiting for all the ministerial speechifying to bear fruit—in terms of hard cash, most probably in the form of new industrial aid schemes.

improving technology transfer (the transfer of knowledge between the academic world and industry, between different companies, and between departments and individuals within the same firm).

Mr. Corfield felt that quite enough innovation of the technology-push variety would continue to occur anyway, regardless of what he advised, so he saw little point in devoting precious space in the report to encouraging still more of it.

What, then, is the report's advice on the management of individual design projects? First and foremost, do not forget the vital importance to a product's marketability of its specification, and of managing the design programme so that the final product meets the specification.

Mr. Corfield is nothing if not a realist, however. While generally advocating a high level of reliability and good maintainability, he does allow for what one might call the disposable society: the strategy of offering a product which scores low on both these counts, while persuading people to buy it because "the economics of shorter-term ownership will be so great to them that (and this is the payoff) they come back to the same supplier for more.

Cost targets have proved to be the least well observed of all these parameters, the report

report, which was expected to provide the catalyst for government action, has effectively concluded: "The government might do a bit more to encourage good design, but basically it's up to companies to put their own money where their mouth is."

The report, which was presented to last week's meeting of the National Economic Development Council, is far more politely phrased. But its author, Mr. Kenneth Corfield, managing director of Standard Telephones and Cables, has quite intentionally disappointed many of his colleagues in industry, as well as those in the design world, particularly the Design Council

—who were pressing for much better government incentives.

Mr. Corfield has no doubts about the importance of good design, and about the failure of many British companies to recognise it. "Failure to adopt a good, strong design policy can only be interpreted as one of the steps on the road to bankruptcy of the company," he says in the Report.

As we reported extensively last Thursday, Mr. Corfield's report calls for a wide range of institutional improvements, both in engineering, education and training, and in the public sector, insisting on high quality design when either grants or

orders are given to industry. He is also in favour of a shift in government expenditure from capital investment aid schemes to those which promote research, development and design.

Where he differs from some other industrialists, and from what might be called the "design establishment," is in his clear insistence that overall state spending must be reduced, not increased, and that the funds available to encourage good design are therefore limited.

"I am not a corporatist," he says in the Report, "but I support operations, and plays a leading role in both the Confederation of British Industry and the

British Institute of Management), but he is firmly against still more government intervention in industry's affairs.

He is particularly aware that design is one of the few areas of a company's activities "where management still has complete responsibility," unaffected by government or union obstruction. He wants to keep it that way.

Hence the heavy onus his report places on individual companies to improve the management of their design process, and thereby the quality of their products. It is on this central, but under-reported, aspect of the Corfield Report that this article concentrates.

MANAGING DESIGN: THE ELEVEN PHASES OF INNOVATION AND LAUNCH

Table with 3 columns: Phase, Activity, Responsibility. Lists 11 phases from 'Identify need or want' to 'Product Review'.

Source: Corfield Report on UK Product Design.

Though essentially a marketing responsibility, product planning must involve the entire management of an operating unit.

Design reviews should not, of themselves, incorporate binding courses of action but their recommendations should "have an impact" on line decision-making.

Mr. Corfield stresses the need for a close relationship between the design process and the procedure which is known in most companies as product planning.

against which the design is monitored, he says. It enables the customer to be given "the right product, at the right time, at the right place, and at the right price."

"Product Design. Report by K. G. Corfield. Ann 2 to NEDC (79) 3. National Economic Development Office, Millbank Tower, London, SW1. Tel: 01-211 3000.

Quality and value are the major priorities

MANY of the Corfield Report's arguments for the economic importance of good product design will be familiar to readers of this page over the past nine months.

This suggested that UK exports were concentrated at the less sophisticated end of the market, in contrast with France and Germany in particular, and that this was a significant factor in its poor trading record.

Corfield rams home this point in no uncertain terms: "The difference between the apparently more successful companies and countries and those less so is not in the quantity of work performed, but rather the quality: not in the volume of the final output but in the value added to basic raw materials."

Scepticism

There is one particular section of Mr. Corfield's economic analysis which should shake company directors out of their scepticism about the high cost of good design. "Good design leads to increased sales in an elastic market, and to better price levels where total demand for the product is limited."

Conversely, more attention to design may lead to additional costs, at least in the short term. For example, there may be extra promotional costs to convince customers of the superiority of the new product.

"This increase, the market price of the goods, or increases sales at the same price. In this way, revenue moves ahead of costs, thereby generating opportunities for improved wages, and profits for re-investment."

Problems of raw materials and components

ONE OF the factors which is impairing the efforts of British engineering companies to improve their product design is the inadequate supply of high-quality materials and components, according to the Corfield Report.

The difficulties reported through NEDC's sector working parties are less concerned with availability than with clear and reliable specifications, and especially advanced specifications.

The UK motor industry, for instance, the report says, has persistently complained about the poor quality of deep drawing steel sheet, which places limitations on designers and production. "The overseas competitors have not apparently been constrained in the same manner."

Explaining how such limitations arise, the report says the quality of steel sheet, and that of other materials, will be a deciding factor in the number of operations needed to achieve a given shape.

"Cases are known where a single drawing operation will suffice with one quality, while three or four separate drawing operations may be necessary for an indifferent or unreliable quality." The quality must also be consistently achieved; otherwise production cannot proceed, or only with delay.

Other important quality considerations for sheet and strip materials cited by the report are strength, freedom from corrosion, surface finish and plateability. "If the materials and components the designer has available are not consistently up to the international standards used by competitors, his best work will prove abortive."

There seems to be a lack of flexibility and speed of response to new technology in many UK component industries, according

to Mr. Corfield—though he is careful to add that this is not always the case.

Looking at some of the successful strategies adopted by Britain's competitors, the report mentions in particular the German company DEMAG and the Japanese automotive and fork lift truck industry.

DEMAG, West Germany's leading maker of mechanical handling equipment, derives considerable strength from its policy of basing different product ranges on standardised parts which can be produced at different locations throughout the world.

A similar approach has been taken in Japan, where impressive design work has been undertaken on what the report calls "integrated componentry."

In Britain, the component industry should be encouraged to grow, says the report, particularly in precision, mechanical and electromechanical engineering, as well as in electronics. Large companies could help this process by the adoption of "make-or-buy" policies based on a rigorous analysis of total costs of production, production control and stock holding.

For the components industry, this would mean increased investment both in capital equipment and technical personnel. For customer companies, it would entail improvement in the status of the purchasing function.

It would also be essential for the components supplier to differentiate between jobbing work—where he is producing details designed by the buyer company—and the supply of components of his own design, preferably to standard specifications which the buying company uses without modification in its design programme.

Advertisement for Wereldhave Real Estate. Includes a large image of a building and text describing investment opportunities in real estate.

Advertisement for Camden Motor Rentals Ltd. Text: 'Before you spend £4000 on a new car, spend 9p on a stamp.' Includes contact information and a car illustration.

Large advertisement for British Post Office Gutter Pairs. Includes text about stamp collections, a 'DID YOU MISS THE BOAT' section, and a 'BRITISH POST OFFICE GUTTER PAIRS Special Offer' section with an order form.

THE ARTS

Cinema

America's prophet of doom by NIGEL ANDREWS

Blue Collar (X) Gate 2 The Chess Players (A) Academy 3 Damnation Alley (A) and Thunder and Lightning (A) Rialto Seeing in the Dark ICA Luncheon Cinema Essential

Paul Schrader, writer-director of Blue Collar and before that writer of Taxi Driver, is America's resident Prophet of Doom. In Taxi Driver, with the aid of director Martin Scorsese, he portrayed New York City as a modern Dante's Inferno, in which naked psyches writhe amid the stinking subway vapours and blood-red neon lights of the city at night. In Blue Collar Schrader has moved to Detroit, but he has taken his evangelistic cynicism with him. All is for the worst in the most brutal of all possible worlds. One feels with Schrader that if there were not already, luckily for him, a fair number of present-day Hells-on-Earth to choose from, he would have to invent new ones for his movies.

The implicit plea for race and class solidarity in the film's conclusion rings a little tinny. Schrader has said that he started out to make an entertainment movie and ended—despite himself—with a Marxist message. But it doesn't look that way. Swathing the film in sullen blues and blacks, and setting it to a jazzy score that is often like the pulse of a factory work-floor, Schrader seems to be leading the dice from the beginning.

If one were looking for a polar opposite to Schrader's omnivorous cynicism, one might glance East and find Satyajit Ray. His latest film, The Chess Players takes a comparably dim view of human nature, but Ray's questioning mind is not satisfied with facile pessimism. His probing wit keeps discovering seams of hope, humour and compassion in stories superficially bleak and cynical.



Richard Pryor in 'Blue Collar'

But these high-definition performances come on so strong that they end by defining the weaker members. Keitel is a pugacious actor, but here he struggles in a follow-my-leader role as the token white. With his character's clobber, there is no real union of races to begin with in the film, so the idea of its division and disintegration rings false.

The slow, very intertwining of these stories is so mandarin-paced that non-converts to Ray may sigh in exasperation. But the film's cumulative design and impact are worth the wait.

Hampstead

Daughters of Men



Leonard Burt

This play by Jennifer Phillips deals until the last moment only with a stationary situation developed but not explored. The situation, all too common nowadays, is that of a married woman about to divorce her husband but desperately afraid that the courts may award her husband custody of the child.

Valentine, making her stage debut at 12 years old. She is always cool, immaculately honed in her dealings with a husband (Terrence Hardiman), younger and less talented than she, honest even in her dealings with her lover, who is kept rather further off than arm's length, yet clearly so devoted to her daughter that she will go to great lengths to ensure her custody.

St. John's, Smith Square

BBC Singers/Mackerras

Beethoven's Cantata on the Death of the Emperor Joseph II was given at Smith Square on Wednesday by the BBC Singers and Symphony Orchestra, under Charles Mackerras. An early (1790), profoundly noble, grandly worked piece, incomprehensibly seldom performed in our era of obsessive Beethoven play and replay, it might almost be the Funeral Ode to mark the passing of the Enlightenment.

A ruler of Olympian dignity, strength, justice of judgment, and compassion is celebrated in Averdonk's text; so broadly spacious and serious is the music in its application of the composer's own dramatic fire to a Haydn-like harmonic richness and wealth of dark, doleful detail, that it transforms the banalities of the text. The highlights of the seven-movement cantata are the opening chorus (which returns to close the piece), in a blackly sonorous C minor; the wide-spanning bass aria (which Gwynne Howell's magnificent bass easily compassed); and, most notably, the first aria for solo soprano (Felicity Lott), later taken over by the chorus—in this Beethoven first stated the F major theme, with its two rising fourths, that he was to borrow for that most glorious musical expression of Enlightened justice triumphing over evil.

Elizabeth Hall

Webern and Schubert

The London Sinfonietta's magnificent Schubert/Webern series—more accurately, a Webern festival of unprecedented comprehensiveness leavened with Schubert—is now over. And let it be repeated: who but the Sinfonietta would have had the imagination, dedication and nerve to mount such a giant enterprise, or the resource and energy to carry it off in such brilliant style?

performance of Webern's last completed work, the second Cantata op. 31; a satisfying final knot to the opus, under the direction of David Atherton, deftly and lovingly tied. Besides the capable bass of Malcolm King, the soprano soloist was again Phyllis Bryn-Julson, whose singing has been consistently one of the series' chief delights (and Decca's especial loss). Her account of the four op. 13 songs, each one a fragile, gleaming miniature, was effortlessly commanding, magically relaxed.

and the love of leisure blend insidiously into cowardice. The Chess Players can be seen partly as a personal work—Ray's circumspet response to young critics and film-makers demanding that he "politicise" himself and become a more embattled director—partly as a universal tragicomedy of prevarication. Filmed in a beautiful series of reds, golds and blues, Ray's first all-colour feature film is also a feast for the eyes.

The new double-bill at the Rialto—Damnation Alley and Thunder and Lightning—is mainly for addicts. The first has a beguiling B-movie lunacy, in its story of a trio of H-bomb survivors (Jan-Michael Vincent, George Peppard, Paul Winfield). He glaze a post-holocaust trail across America and discover en route giant scorpions, man-eating cockroaches and Dominick Sanda. The second has David Carradine and car chases: Mr. C. playing a sort of Robin Hood of the Florida Everglades with a speciality in meting out vengeance to rich moonshine racketeers. Produced by Roger Corman, the film has much of

the comic-strip energy of his usual fare (Death Race 2000; Piranha) but little of the wit and inspiration.

Coliseum

Il trovatore

The revival of Il trovatore by the English National Opera at the Coliseum has the not inconsiderable merit of conviction. John Copley's production, now staged by Hugh Halliday, takes the much-maligned plot quite seriously after all. Verdi did too—and in consequence the characters and their actions become, within the conventions of mid-nineteenth-century opera, perfectly credible.

the accustomed flood of burnished copper-coloured sound. Tom Swift, who sings Manrico, is another singer who puts his heart into a performance, though occasionally his involvement causes him to force and lose pitch. Katherine Pring's Azucena has grown in subtlety and depth of characterisation since she first sang the part in this production. Paradoxically, tighter control over her feelings has made her performance more moving, while her concentration on the very essence of the gypsy's reason for living, to avenge the death of her mother, has brought a rich reward in dramatic urgency. Christian du Plessis sings the Count of Luna with a good strong, steady line, and he, too, brings a touch of obsession to a role that does not always get sufficient steel in its playing. Don Garrard opens the opera with a lively and intelligible account of Ferrando's narration. Lionel Friend's conducting has a nice sense of pace and phrase. Orchestra and chorus improve as the evening proceeds.

ELIZABETH FORBES

Purcell Room

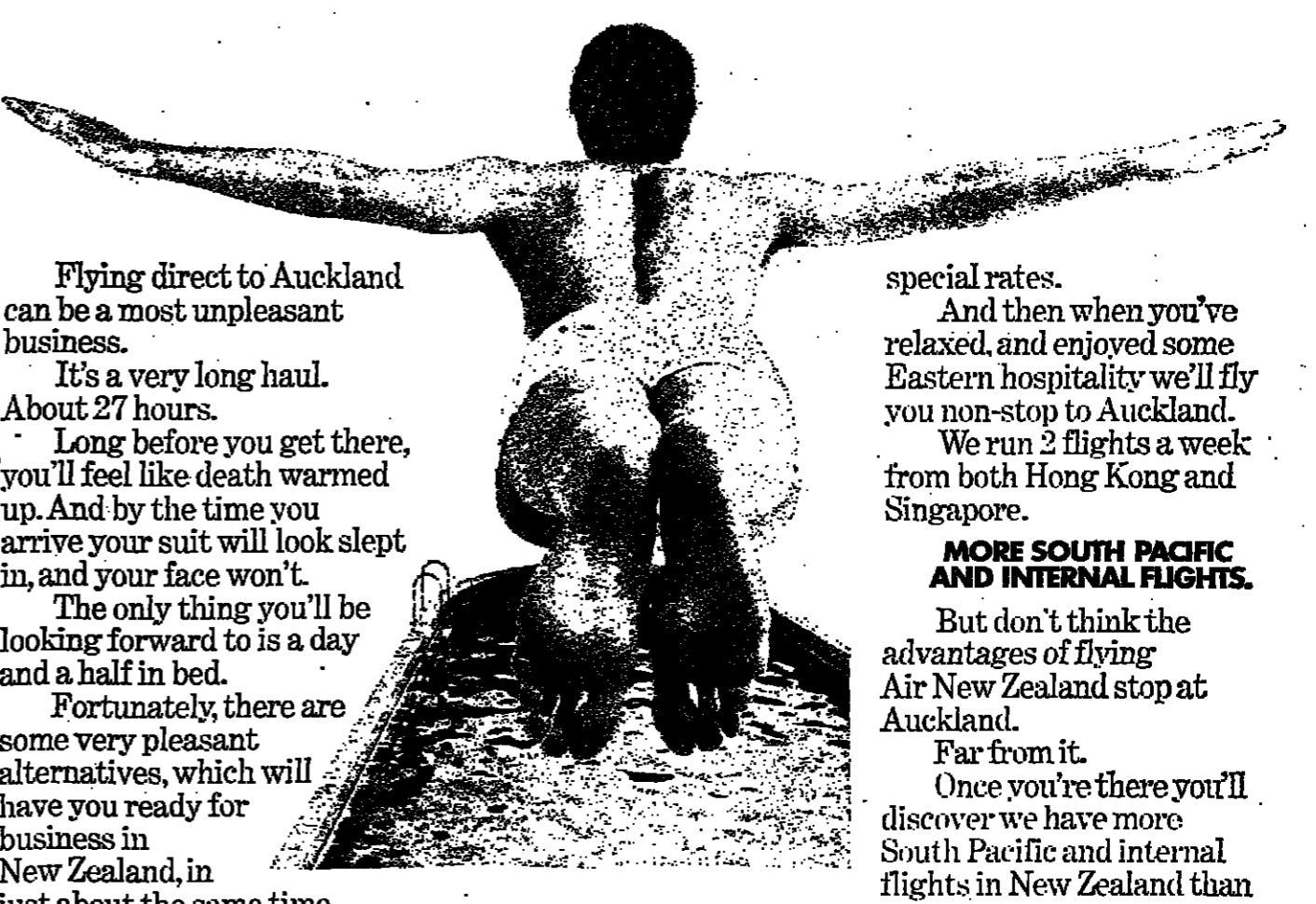
Zigeunerlieder

"All I ask of life is just to listen to the songs that you sing," went the Noël Coward prologue to this round-up of gypsy-inspired songs by the Songmakers Almanac; and the line serves well to sum up the capacity audience's reaction to the selection. Graham Johnson provided a more coherent exploration of his theme and more imaginative selection of material in this one evening than the Mainly Slav series has provided in all its concerts.

The centre-piece was an undoubted masterpiece: Janacek's Diary of one who disappeared, in the reliably excellent performance by Philip Langridge. Around this tale of a young man seduced from his quiet family home by the wiles of a gipsy girl who seduces him, Graham Johnson placed a splendid variety of lesser-known pieces, allowing himself a popular number only in the final ensemble version of the Brahms Zigeunerlieder.

An ineffably proper Richard Jackson seemed at first sight the wrong person to project the strange visions of Liszt's

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Friday January 19 1979

Soft at the centre

THE PRIME MINISTER, in yet another would-be emollient statement on the transport crisis, said that nothing would be gained by strong words and weak action.

In the four days which it has taken to produce so much as a clear statement of policy from the apparently helpless leadership of the transport workers, the Government has signally dithered.

It is that while strikers have the traditional right to try to stop their employers from operating during a dispute, the public has the right to make what alternative arrangements it can.

Budget battle in the EEC

IT IS A cardinal point of principle with several member governments of the European Community, including France and Britain, that the direct elections to the European Parliament which take place this coming June will not be accompanied by any increase in the powers of the Parliament.

Conversely, and more significantly, the budget row also shows that certain member states — in this case Britain — may be prepared to shelve their hostility to an extension of the Parliament's powers, if they believe it will bring concrete national advantages.

Britain and Italy, being relatively poor countries, stand to benefit more from Regional Fund spending than the richer member states.

demands a police presence on the picket lines. Experience has shown again and again that a police presence can defuse an otherwise ugly situation.

If in the course of the next day or so the law is enforced, and if it then proves that a sufficient majority of working drivers are willing, under this protection, to go about their work in accordance with union policy, then it may be possible to get through the remainder of the transport strike at a tolerable level of disruption.

It will still leave a lot of questions unanswered — not least about the other strikes, threatened or already unofficially started, in smaller but vital services, with a possible threat to public health.

What leaders like Mr. Moss Evans have apparently yet to realise — though the idea seems to be dawning on some other TUC leaders — is that this is not just a crisis for the country.

What is required is not only apparently reasonable policies from those who claim to lead the movement, but strong actions to enforce those policies — an exercise of discipline by the unions, a concept which they have yet even to mention — and of law enforcement by the government.

That can only be established if they are not subject to intimidation by violence or large numbers; and that in turn

The public sector wage claim: By Christian Tyler, Labour Editor

Beleaguered Britain braced for the next blow

THE SHOCK troops of an army of low-paid public servants will descend on London on Monday, leaving behind them closed schools and council offices, silent building sites, and marooned buses and ambulances in many of Britain's urban areas.

The march through the capital and rally at Westminster is the first big public expression of months of planning by their trade unions for a pay rise big enough to cancel out the effects of four years' restraint.

Monday's day of action, which is intended merely as a prelude to selective walk-outs in the coming weeks, will come as no surprise to the Government.

It is virtually impossible to assess in advance the extent of the action, since the job of selecting services for disruption is being conducted by local co-ordinating committees and the picture has been changing daily.

It should not be forgotten that the new TGWU national secretary for public services, Mr. Mick Martin, has no time in mounting a campaign for his industrial civil service members last summer.

divided on tactics. The biggest in this service, the General Municipal Workers Union, has argued so far for keeping them out of the campaign, although some of its members in North Manchester have already taken unofficial action cutting off the supply to 2,000 households.

It is virtually impossible to assess in advance the extent of the action, since the job of selecting services for disruption is being conducted by local co-ordinating committees and the picture has been changing daily.

There are several obvious problems of timing and amount. Privately at least three of the union leaders think the Prime Minister's concession too rigidly to alter things much.

There is also the psychological point that a concession extended to some 9m low-paid does not, however desirable and egalitarian it may be, enable the four unions to claim that they have wrung out something special for their own members.

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THE PUBLIC SECTOR PAY QUEUE

Table with columns: Main groups, Main unions, Claim, Last offer, Settlement date. Lists various public sector groups like local authority, hospital ancillaries, water, ambulance men, university, nurses, etc.

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reflected in the common pay claim, is to establish a minimum basic rate which is two-thirds of national average earnings. They put that basic rate at £80 a week. In effect they are trying to climb back to their 1974-75 position when they achieved, under finance from the social contract Mark 1, the TUC's minimum wage target of £80 a week, the then equivalent of today's demand.

Even the TGWU, the most determined defender of free collective bargaining, would not disagree with the principle of comparability, provided that it was a cushion against future falls and the starting point, not the end, of future wage bargaining.

One thing that an inquiry might do, however, is to pave the way for a new agreement between the Government and TUC. The incomes policy enthusiasts in the TUC and Government see this as a chance to map-out plans for a longer-term reform of collective bargaining, at least in the public sector.

There is some serious talk of a brand-new body, perhaps with representatives from it, to supervise public and private sector relationships. One of its aims would be to map out the review bodies, like those for doctors and dentists, servicemen, nationalised industry chairmen, judges and senior civil servants or at least set common criteria for their deliberations.

There is some serious talk of a brand-new body, perhaps with representatives from it, to supervise public and private sector relationships. One of its aims would be to map out the review bodies, like those for doctors and dentists, servicemen, nationalised industry chairmen, judges and senior civil servants or at least set common criteria for their deliberations.

An unknown quantity

The Confederation of Health Service Employees, strong among hospital ancillaries and nurses, is something of an unknown quantity. But the deterioration of industrial relations inside the health service in recent years — along with the deterioration in its finances — does not suggest that CPSE's prospects will be quickly pacified.

MEN AND MATTERS

A fortune in the village school

The trend towards closing church schools in the villages — more than 150 were shut in England during 1977-78 — looks like being halted by public opinion. This means less sudden windfalls for the heirs of local worthies who gave the land for such schools in Victorian times.

Sometimes as much as £40,000 has landed in a beneficiary's lap under the School Sites Act of 1841. This decrees that if land ceases to be used for a school, it reverts (with all the property on it) to the grantor or his descendants. If they are lucky, they may find themselves owning a desirable piece of real estate in a smart commuter village.

According to Michael Adams, a consultant to the Church of England board of education, it is often possible by legal means to avoid a reversion to the heirs. Then the local diocese will get the money, for use on other schools. But there have been some legal tangles in the past few years: as an authority on the 1841 act told me, it is a "notorious muddle".

Less libido

One of the more outré experiments to open up a new travel market among British businessmen seems to have met scant success. The Kuoni organisation has for some months been offering what is called a "Night Life Special" in Bangkok, but admitted yesterday that there were few enquiries.

The printed description of this tour leaves little unsaid, including the fact that the selected hotel is "unsuitable for families." An executive of the company said it felt it was "fulfilling a need as regards businessmen. But unlike similar tours from Germany, the British version was "rather a disappointment".

Fresh charge

Pickets will be emerging from an unexpected quarter tomorrow. The Friends of the Earth will be picketing electricity showrooms in 100 towns, in pursuit of their argument that

Flowing assets

In Britain's sleeping car-worshiper awarded £7,000 for being sacked kept headline writers occupied a few weeks ago. Their counterparts in Italy are now busying themselves with a parallel outrage.

Changing places

The appointment announced yesterday of Sir Reginald Hibbert to succeed our ebullient man in Paris, Sir Nicholas Henderson, might, on the face of it, suggest a change in style.

Higher thinking

A World Bank administrator asked one of his staff scientists what two and two make. After consulting his slide rule the scientist replied: "It looks like four, but say five to be safe."



"What do you mean you won't deliver them?"

LOTHIAN

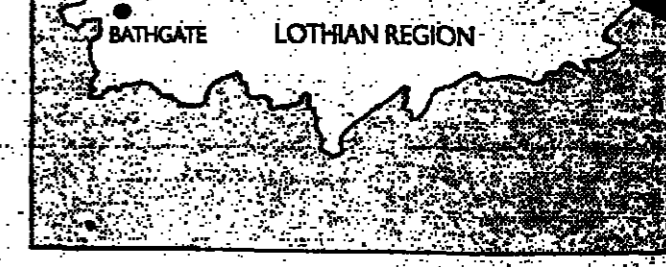
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Observer

FINANCIAL TIMES SURVEY

Friday January 19 1979

Merseyside

Merseysiders, and the industry which is based there, are trying desperately to revive the area in the face of acute social and economic problems. They are having some success — and dispelling some misconceptions held by the rest of the world.

The price of fame

By Rhys David

Northern Correspondent

WHEN A group of visiting Swiss businessmen arrived in Liverpool recently one of the first requests they made to their hosts was: "We want to see the Piggeries" — a problem housing estate sold off at a knock-down price by the council last year. Such is the price of fame. There can be few parts of Britain which are as well known as Merseyside, the new county which includes Liverpool, and at the very mention of the name it can be guaranteed that a host of images, pre-conceptions and prejudices will be instantly available, not only to people living in the rest of Britain, but in other parts of the world as well.

Merseyside's claims to fame are, at one end of the spectrum, its success in sport where the Liverpool club has demonstrated over recent years its pre-eminence in Europe as well as in Britain, only to find itself hotly pursued this year by the city's other side, Everton, at the

top of the English football league. It is not too long either since the area was acting as spawning ground for the youth and musical revolution ushered in by the Beatles and the many similar groups. And while fashion trends in popular music are now set elsewhere, the area's contribution to Britain's artistic and cultural life continues to impress. Rita Hunter, Glenda Jackson, Alan Owen, and Rex Harrison, are among the varying personalities who have all made their way to the top of their particular professions from a Merseyside background. And another of the long line of Liverpool comedians, Ken Dodd, has almost single-handedly secured the reopening yet again of the Royal Court, one of Liverpool's five live theatres—several more than most other provincial cities can boast.

Independence

Sadly, however, this is only one image which Merseyside—which includes the towns of St. Helens, Birkenhead and Southport as well as Liverpool—presents. The area was incorporated into a new county when UK local Government was reformed in 1974, with a population of 1.6m, is also recognised for the acute social and economic problems which some—and it is only some—parts of the area face.

Whether born of excessive media attention or not, Merseyside also undeniably has a reputation for tough trade union attitudes and a degree of splintered independence among the labour force which does not always work to its advantage.

All regions of the UK have suffered during the present recession but Merseyside has been particularly hard-hit. Big groups which have cut back substantially on their labour force in the area over the past year alone include British Leyland, Fiessey, General Electric, Courtaulds and Cammell Laird. Therefore, while unemployment throughout the UK has doubled over the past 10 years, in the Merseyside Special Development Area—most of the county plus parts of Cheshire—it has trebled to almost 100,000. Further, there are doubts hanging over several other major plants, including the Speke factory of Dunlop, the rubber group, which is engaged in a big review of its UK operations following a sharp drop in demand for tyres.

Just how Merseyside reached its present position has been the subject of numerous studies. But it is probably fair to say that the causes in some cases have been beyond the area's control while in others the damage has been self-inflicted.

In the first place, through no fault of its own, Merseyside has been affected by the dramatic changes which have taken place in the distribution of goods. With the shift in the past 10 years towards container traffic, employment at the port has dropped by more than half, and similar reductions have taken place consequent in transport and other ancillary occupations.

The area's extensive industrial base also has been affected by changes in technology and by the prolonged recession of the 1970s. Pilkingtons at St. Helens has introduced much less



labour-intensive methods of manufacturing glass and, for example, will be reducing its labour force by 280 when it completes a current £70m investment plan.

Tate and Lyle has had to cut back its employment in cane sugar refining—one of Merseyside's traditional food processing activities—because of the switch to beet sugar following

- 1 SEPTON
- 2 WIRRAL
- 3 LIVERPOOL
- 4 KNOWSLEY
- 5 ST. HELENS

Britain's entry into the EEC, while Cammell Laird and Western Shiprepairers, both in Birkenhead, have been affected by the lack of orders from the world's shipping industry.

The poor performance of some sectors of British industry in world markets has also affected Merseyside. British Leyland was making more cars in the 1960s when it moved to

Speke than last year, when it moved a large part of its operations back to Coventry.

Other companies such as Plessey have not been able to take full advantage of expanding world telecommunications markets because of Post Office delays in the ordering of new equipment. Compared with the UK as a whole, Merseyside also has a larger number of big employers, yet in the present recession it has been the smaller firms which have survived best.

Some problems on Merseyside, however, patently have a more local origin. The steady decline in Liverpool's population since the 1930s was sharply accelerated by a programme of slum clearance in the 1960s. Large numbers of people were moved to new housing estates on the fringe of the city, or left the area for New Towns in Cheshire and Lancashire.

Redundant

With port and railway operations also requiring much less land, the result has been to create vast areas of unsightly dereliction close to the city centre. On top of this a further 300 acres of land was blighted by plans to build an urban motorway 14 lanes wide in places. Jobs were also the victim of this wholesale clearance policy—motivated, it should be admitted, by the desire to remove some of the worst housing conditions in Britain.

With companies either losing their premises or being persuaded to move out to the new estates, the number of jobs in Liverpool fell by 76,000 between 1961 and 1971 to 325,000; the inner urban area accounting for no fewer than 66,000 lost jobs. The population of Liverpool,

which in the 1930s stood at more than 800,000, was down to 605,000 in 1971 and by 1976 had slipped further to between 573,000 and 550,000, according to estimates. Projections show it falling still more to possibly fewer than 500,000 by 1986.

Many of those leaving the city—mostly the young and skilled—have been moving to other parts of the county, but Merseyside itself has been losing population at the rate of about 17,000 a year.

The combination of rehousing on distant council estates and the shortfall in the provision of new jobs have brought other social problems in train. Hastily built new housing blocks have proved a breeding ground for vandalism, and unemployment mixed with the temptations of a consumer society has encouraged crime.

The paradox that amid high unemployment the labour force on Merseyside needs to be managed well if it is to produce results is also explicable. Low productivity and over-manning will inevitably lead eventually to further job losses as companies lose competitiveness, but from workers who have perhaps been made redundant several times before they are an understandable defence mechanism.

Yet while Merseyside's problems plainly are large, it is also true that in many respects it remains an area of considerable vitality. While there are nearly 100,000 unemployed in the area there are also 650,000 in employment, many of them working for major international groups such as Pilkington, BICC the cable group, and Unilever, which either have their headquarters or their origins in the county.

The area, which has always had close links through the port with the U.S., is also host to a number of successful American companies, ranging from Ford, which has recently announced a £200m investment plan for its Halewood factory, to Cooper-Bessemer, one of the partners in a recent £1bn contract to supply pipeline pumping equipment to the USSR, and Cross International, machine tool manufacturers.

Other major groups based on Merseyside include the Littlewoods pools, retail and mail-order company, and its rival Vernons, Royal Insurance, J. Bibby, Capper Neill and a number of leading shipping lines including Ocean Transport.

Nor is the image of the county as predominantly urban and industrial entirely accurate. Half the county is agricultural land, with a high proportion of it in the top grades, and responsible for a large proportion of UK vegetable produce.

The county's northern segment consists, too, of the resort of Southport which, apart from its seaside attractions, boasts one of the best shopping thoroughfares in the North, some of the country's leading racing stables, Royal Birkdale Golf course and residential areas favoured by Liverpool businessmen and the city's soccer fraternity.

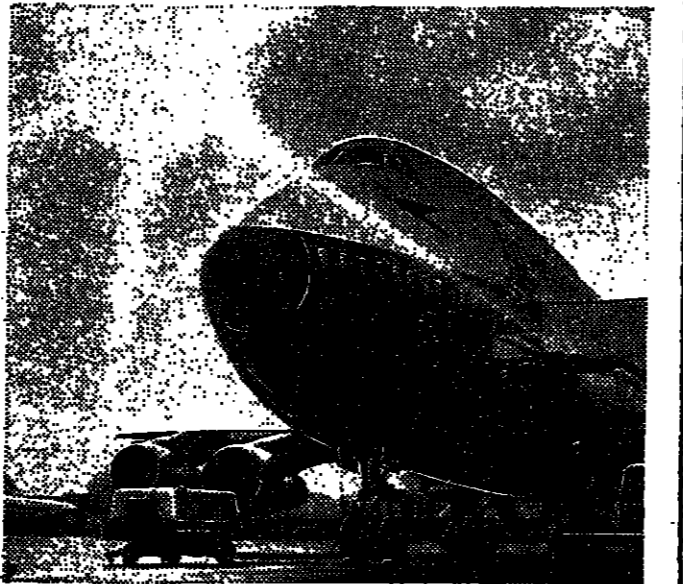
Another of the attractive residential areas—the Wirral peninsula—is thought to be high on the list of possible sites for the

CONTINUED ON NEXT PAGE

PILKINGTON



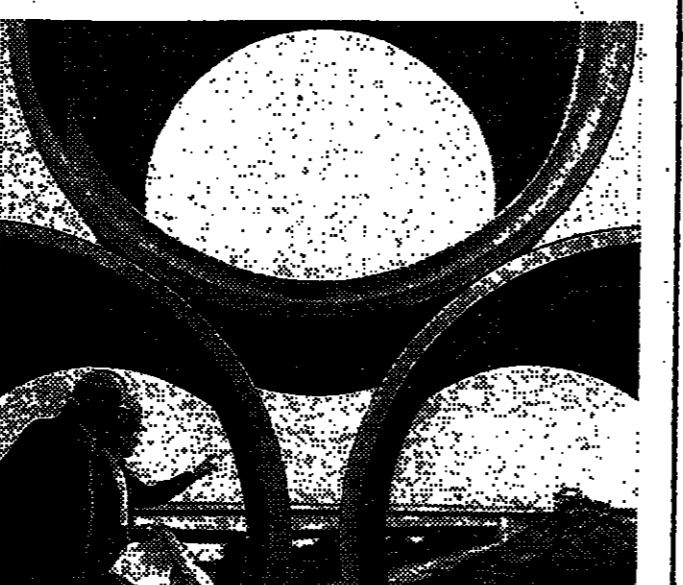
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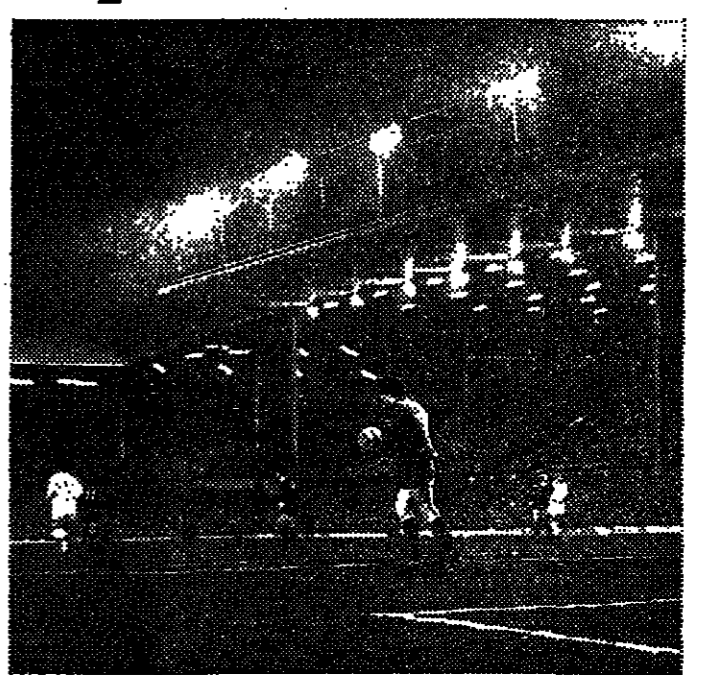


BICC people who make things work on Merseyside



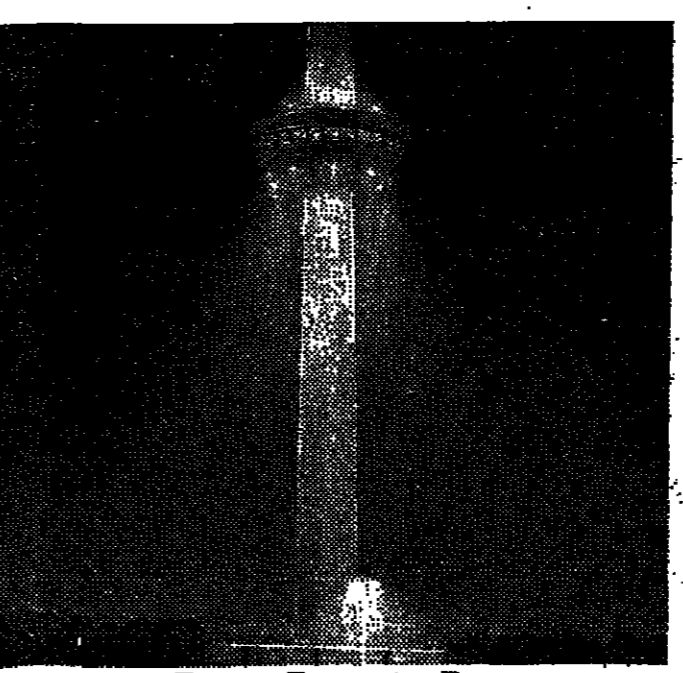
Underground

In the new Merseyside Underground System — BICC cables not only ensure good communications but also feed both the closed circuit TV system intended to curb vandalism, and the 33 escalators serving the underground complex.



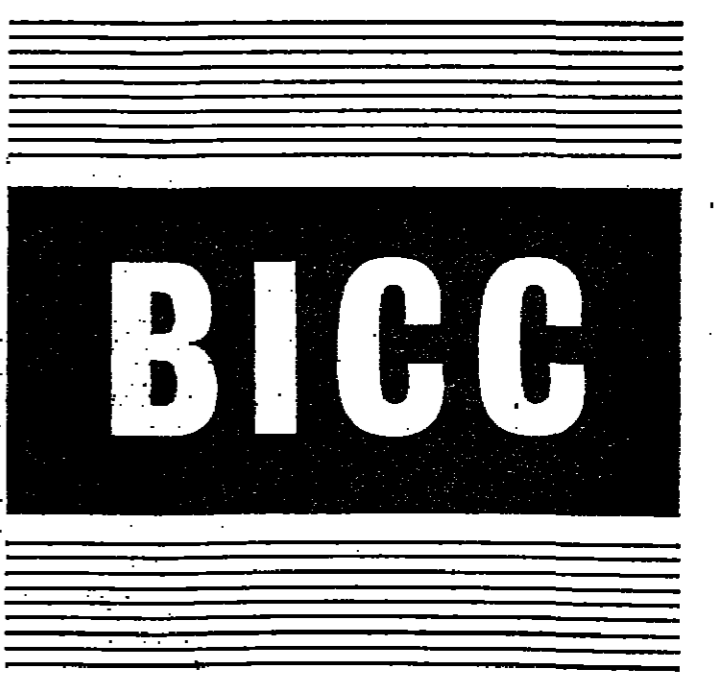
Overground

At Anfield, there are nine miles of BICC cables in the new floodlighting system.



In the air

At the very top of St. John's Tower BICC fire-resistant cables keep diners safe in the revolving restaurant.



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MERSEYSIDE II

Economy looks up

COULD MERSEYSIDE'S economy have turned the corner? It is a hope which few of those involved in regeneration of the area's economy allow themselves to entertain...

At nearly 100,000 the numbers are undeniably high, but it is significant that despite losses in big companies alone of more than 15,000 jobs during 1978...

Merseyside, as everyone knows, has been faced with a series of economic problems as daunting as those affecting any area within the UK...

In the event the strategy adopted by the county, and now incorporated into its structure plan, has been to try to stimulate regeneration of existing centres...

The situation demands as a result, the county planners believe, a much more flexible approach towards the creation of new jobs...

Merseyside, for example, has set aside a total of £3m for the attraction of new industry and the general promotion and marketing of the area...

The county's chief executive, Mr. Ray O'Brien, its official head, also has been given powers in a number of other fields.

In Liverpool itself, where

special initiatives in the economic field in 1978-79, using powers under the 1972 Local Government Act which allow it to spend the proceeds of a special rate for the public good...

Equally important, the county is trying to unlock some of the vast areas of derelict land owned by statutory undertakings...

Plans have been submitted for two major private developments within the site, and the county itself plans to establish a maritime museum there which would chart the importance of the port to the area...

Another important element in the economy is now provided by the Manpower Services Commission. Through its two latest programmes the commission has created more than 18,000 opportunities for unemployed young people and adults on hundreds of projects.

The network of assistance available to strengthen the Merseyside economy from national and local government sources is therefore fairly comprehensive...

Inevitably, the area also would like to see an increase in the financial resources made available to it by central government. The programmes drawn up by the inner city partnership...

The county too is seeking wider powers of action for itself in the economic field through a Parliamentary Bill but is running into some resistance from Government departments.

Rhys David



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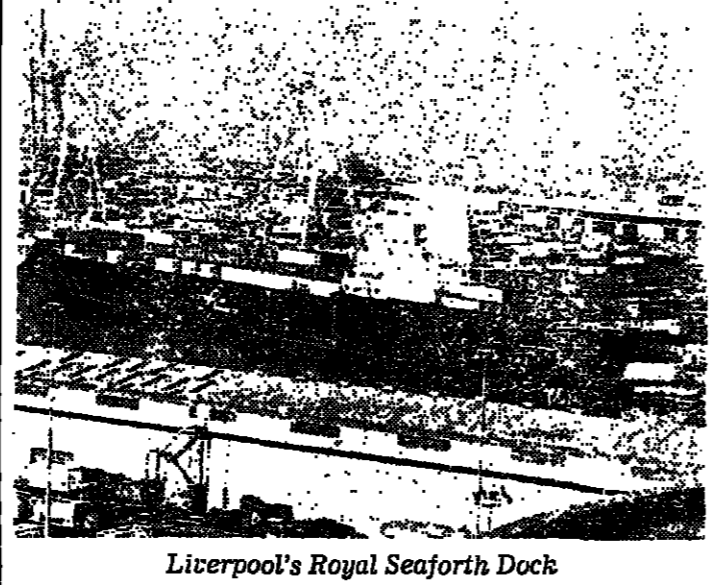


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Liverpool's Royal Seaforth Dock

Price CONTINUED FROM PREVIOUS PAGE

proposed new micro-processor plant to be developed by a joint company consisting of GEC and Fairchild, the U.S. group. This project, if confirmed, promises to provide a major boost to the area's economy...

late inter-trading and perhaps act as a source of help and guidance for new businesses. Conditions for making progress in dealing with some of the county's most difficult problems are now more favourable...

The county itself is engaged in talks with Mersey Docks and Harbour Company which could lead to important developments including a maritime museum, and commercial and leisure facilities on the site of the disused South Docks.

Improvements The problems of the past few years also have brought about a strengthening of the machinery for economic revival. Government is involved through its regional aid programmes...

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D.H. Booth, Assistant Managing Director, BICC Cables Ltd., & Executive Director Prescott. BICC LIMITED

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Sydney Allen, General Manager CHAMPION SPARKING PLUG CO. LTD.

“Government grants were attractive so it was decided to invest in a development area. Company representatives were brought to the site here at Upton on the day it was zoned as light industrial and were immediately attracted by the environment, the labour availability (male and female) and the general situation here.”

Away from the headlines Merseyside has, for the past decade, been quietly restructuring and widening its industrial base.

1978, however, was a particularly good year for new investments.

Fords announced plans to invest £200m in their Halewood factory; Shell Chemicals gave the go ahead for £75m to be invested in new technology at Stanlow; Pilkingtons approved a total of £70m for a new float glass installation; Tate and Lyle moved ahead with two new factories in the area costing £12m and Cooper-Bessemer committed £5m for a major expansion of plant at Knowsley.

This means that total investment in 1978 by major manufacturers in Merseyside exceeded £500m!

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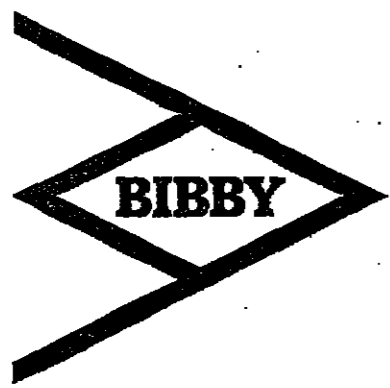
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Industry fights to beat slide

IT IS one of life's ironies that at a time when Merseyside has become the football capital of England its industry should have fallen to such a low level of performance.

The causes of the slide have been well categorised. First, the need to reorganise the port so that it could live with modern shipping practices.

Many of these problems remain. Indeed, they are likely to be exacerbated if there are further closures of major manufacturing plants.

Any further closures will therefore hasten the move out of manufacturing on Merseyside and emphasise the growing importance of the service sector.

Traditional

Although one of the main industrial centres in Britain—it has 11 firms with workforces of between 5,000 and 15,000: BICC, Cammell Laird, Ford, BL, Vauxhall, ICI, Pilkington, Mersey Docks, Plessey, Shell and Unilever—Merseyside was until the mid-to-late 1950s always predominately a service area.

Government action in encouraging industry into Liverpool, especially the motor firms and the allied components industry which grew up, built up the share of manufacturing in local industry but the low productivity and bad management of a workforce unable or unwilling to adapt itself to modern industrial disciplines quickly led to a contraction of industry when the good times were succeeded by the bad.

In the recent past Tate and Lyle, Hygena, Plessey, Cammell Laird, Western Shiprepairs, Birds Eye, BL, Courtauld and Lucas have all announced closures.

The result has also been to push the industrial profile of Merseyside back in the direction it has long held. Since 1971 there has been a fall of just over 6 per cent in the total workforce in the Merseyside special development areas.

Manufacturing industry declined by over 13 per cent with certain sectors, such as mechanical engineering, shipbuilding, instrument engineering and metal manufacturing faring a lot worse.

On top of this the government has done a lot to help attract industry in, with some success. In the 12 months to the end of last October it assisted projects through its selective assistance schemes with a total investment value of £150m.

Perhaps disappointingly, much of the increase in service employment over the past decade has been in white collar jobs associated with public administration, such as education, and local government and relatively little into export-inclined jobs which pump money more quickly back into the economy.

The increased emphasis on the service industries will continue. There are plans to move

over 3,000 Ministry of Agriculture employees into the area to boost the total in public administration, which rose by 17 per cent in the 1970s.

Not all the manufacturing scene has been black. A number of companies have expanded or are about to. The biggest of these is Ford's £200m at Halewood associated with the Erica car project.

Share

In addition, Merseyside has been lobbying hard for a share in the Inmos mini-chip project sponsored by the National Enterprise Board.

The NEB's North Western office in Liverpool has also backed up the efforts of the local authorities which are seeking potential entrants by pointing out that it will put up to half the capital for any joint venture.

Despite the rise in the rate of building of advance factories there are few plants still on offer, which is another good sign. At the start of December there were just five of the larger units and six smaller ones on offer, with a good stock of applications in the pipeline.

bedevilled to some extent by the lack of availability of sites in the city. To anyone taking a quick glance over the city from around the cathedral this might seem surprising because there are any number of areas that might appear suitable.

There are probably only five or six very large sites—of 100 acres and more—available in the area, and two of these are affected by legal niceties.

When Inmos decided to site its research headquarters at Bristol little serious opposition was raised; an attractive city with a good supply of labour.

This, in a nutshell, is Merseyside's industrial problem as a whole. There are signs that things are slowly—very slowly—getting better.

Anthony Moreton Regional Affairs Editor



We are pouring another £4.5m into Merseyside

But even apart from announcing a £4.5m development scheme for our brewery complex, we spent over £1m last year on our pubs, refurbishing them, rebuilding some in clearance areas and building new ones.

Our pubs are a traditional part of the local licensed trade, just as Higsons, celebrating our 51-centenary next year, is a traditional part of Liverpool's brewing industry.

Out of our continuing commitment to Merseyside grew the decision to invest another £4.5m into the modernisation of our brewery. The next four years will see the creation of a modern manufacturing unit to meet three main objectives: to increase brewing capacity to meet anticipated demand; to brew lager; and to safeguard as far as possible the livelihood of Higsons employees into our third century.



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Drive to create jobs counters closures

IF THERE isn't a word for it, you can rely on a Liverpoolian to think of one. It's no coincidence that one of the more bizarre contributors to contemporary English vernacular is Ken Dodd, who hails from the intriguingly-named suburb of Knotty Ash.

In the bleakest economic days of 1978, when an announcement of redundancies on Merseyside followed another with the same sort of regularity that the Reds were knocking in goals at Anfield, such characteristically self-derisive terms as "Merseyside" and "Mersey-side" were coined by the local wags.

Scouse has much more of a positive ring about it though. The Mersey Docks and Harbour Company has conjured up the un-lovely but eye-catching term "Merstatility" to describe the range of services they are offering.

It's a proud attempt at what may be seen widely as swimming against the tide. Yet as jobs are axed on Merseyside at a frightening rate (including substantial numbers within the docks themselves), river-front activity is assuming as great a significance in relation to the local economy as at any time since slavery was abolished at the start of the 19th century.

Between 1971 and 1977 Merseyside lost more than 86,000 jobs through redundancies—60 per cent of them in manufacturing and engineering and another 20 per cent in the construction trades.

Triumph, Lucas Aerospace, Plessey, Courtaulds, Dunlop, Western Shiprepairs and a dozen other familiar names have followed in dismal succession with shutdowns or massive rationalisation programmes.

Crumbling Add the docks company's own contribution—a voluntary severance scheme already in effect and intended to reduce the number of registered dock workers by 315, with as many as 700 more conceivably to be called for this year—and it would seem as if the entire commercial base of Merseyside is crumbling away.

Accordingly, docks management has been lobbying hard in Whitehall for an extension of regional development grants to cover their operations and provide them with desperately-



A Job Centre in Williamson Square, Liverpool

needed capital for investment in of small advance factories springing up on derelict sites. They can point proudly to a £4.1m profit in 1978 as evidence of their viability, but find it hard to disguise their chagrin as the Government hands out huge sums to keep the ailing Port of London Authority afloat.

The current severance programme is unavoidable with daily surpluses of labour running to 700 men as containerisation supersedes general cargo handling. The £50m Royal Seaforth Container Terminal is moving steadily towards break-even point, confidently forecast for next year, and the new Freightliner rail link should speed the march into the black when it starts in the autumn.

Merseyside Economic Development Office (Mercedo), the newly-instituted economic action group set up by Merseyside County Council, is canvassing hard to attract new investment to the area, but the most optimistic estimates suggest that only one new job is being created for every ten lost, and it doesn't help that Liverpool City Council has its own industrial development team in direct opposition to its county overlords.

So Merseyside must look further afield for widespread job creation than the clutches

CONTINUED ON NEXT PAGE

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The workshy myth

WITH A record total of about 14,000 redundancies in Merseyside last year and unemployment running at about twice the national average, 1978 was a demoralising period for the county's investment industry.

For those who see the current aspect as the last situation provided for some commentators of what the area's trade unionists and industrial developers refer to as the "Merseyside myth" — the local people's supposed reluctance to work.

The myth has been questioned relentlessly by both foreign and British journalists and other outside observers over the past 12 months, according to Merseyside Employment Service.

Even social research students from countries as distant as far afield as the U.S. and Holland have been hunting the wastelands of the City of Liverpool, its libraries and trade union archives, on the same mission.

With so many people intent on digging up evidence of a certain genetic incompetence in the Merseysider which make him almost unemployable, it is not surprising that the area's reputation has become a "disease" in the eyes of the media.

At various times, statistics have pointed to a Merseyside tendency to the "English disease". In 1973, for instance, Department of Employment figures showed that only 32 per cent of Merseyside establishments employing more than 1,000 people were strike-free compared with 54 per cent for Britain as a whole. And in the two preceding years the record was a deal worse.

Since then, strike statistics for the area have been less conclusive but the media's efforts to project a continuation of the image of the early 1970s have more than compensated.

Unfortunately, the particular qualities of the Merseyside character have contributed to the perpetuation of the myth. Trade unionists concede that when there is a national strike affecting the region, it is the Merseysider who is invariably as one local official put it, "first out and last back".

Last year, for example, enough Merseysiders joined the October pay fight in the Vauxhall motor

company, the Ellesmere Port car workers were the first to vote for a strike and held out for industrial action long after their colleagues in Luton and Dunstable had rejected the strike call.

Moreover, the Merseysider has a reputation for rising to the occasion when confronted by a television camera. The area has a "stagey" culture and the Merseysider likes to live up to what is expected of him. If a national strike is in progress Merseyside is the first place the journalist thinks of if he wants to find a strike spokesman with a plain-speaking and colourful talent for articulating the grievances that have caused the disruption.

The same may be true of Glasgow, but television teams south of the border would not bother with the extra journey or the more difficult rail connections if Merseyside can produce the same goods.

Therefore Merseyside developers expect a tough task in the months ahead persuading potential investors that the massive redundancies and closures which hit the area last year were not a just retribution for the misdemeanours of the past.

Merseyside's earlier strike history and its present popular image, however, give a genuinely misleading picture of its labour relations.

Most aspects of social history in the region are rooted in its maritime past. Labour relations in the Liverpool docks were notorious before containerisation and diminished sea trade from the Commonwealth sent the docks into decline and the whole area's reputation for being strike prone seems to stem from that time.

Moreover, labour disruption in the docks — which incidentally was probably little worse than elsewhere in the country — achieved a special significance because sea trade at that time still dominated the Merseyside economy.

Disruptive disputes are now few and far between in the docks but in the bad days the number of days lost per dockworker reached nearly 30 in

one year when the workforce was considerably larger than it is now.

Merseysiders often attribute their labour problems fundamentally to the need for the area suddenly to earn a living from manufacturing industries after its previous existence on a commercial base.

Redundant dock workers, accustomed to a sociable outdoor life, suddenly needed to find jobs on production lines in car plants where discipline and time-keeping were an essential part of the daily routine and where the environment was totally unfamiliar.

In the motor industry in particular, even the most placid workforce would have been hard put to avoid becoming involved in labour problems. Merseysiders, many of them new to the industry, had difficulty in adjusting to an imported management which was insufficiently sensitive to the workforce's proud and plain-speaking characteristics.

In addition, the Merseysider whose way of life had been turned upside down suddenly found himself working in an industry where labour disruption was already endemic.

Merseysiders seeking to defend themselves against their past strike record point with justification to the fact that the area has had more than its fair share not only of industries which are traditionally strike prone, but also of large-size companies where industrial disruption tends to be more frequent.

The high incidence of strikes in the 1971-1973 period compared with the national average at the time was almost wholly attributable to companies employing 100 or more workers. Those with between 500 and 1,000 experienced rather less disruption than the national average while probably 95 per cent of small companies then and now have never seen a strike.

In 1973, moreover, 50.38 per cent of Merseyside employment was in factories with more than 1,000 workers. While among the large companies only between one quarter and one third were strike-free, three quarters of the medium-sized ones had no strikes.

Merseysiders also complain when their strike figures are compared with national averages. The area's strike rate in a 10-year period was running, according to one commentator, at approaching 1,270 lost working days a year per 1,000 workers compared with a national average of 560.

What is often ignored is that the figure compares favourably with comparable statistics for a number of other industrialised regions: for instance in South Wales, Coventry in the Midlands and some areas of Scotland and Yorkshire.

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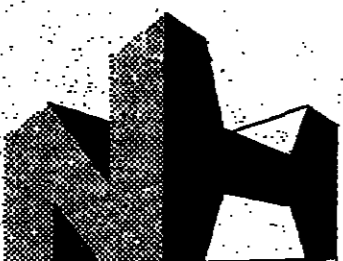
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Loyalty

Merseyside is host to a number of industries which have a national history of being strike-prone. Research into the national strike trend between 1966 and 1974 carried out by the Department of Employment showed that the highest incidence of industrial disputes occurred (after coal mining) in the docks, the car industry, wheelbarrow manufacture, shipbuilding and postal service and telecommunications — all of which have a substantial presence in Merseyside.

Quite obviously, the area does have its own special problems tied to the high unemployment rate and the recent massive number of redundancies and closures there. The question is whether labour problems have precipitated these disasters or whether they are the natural

Pauline Clark

Jobs drive

CONTINUED FROM PREVIOUS PAGE

does Vernons Pools). Barclays Bank and the Royal Insurance Group are two of the largest office employers, though neither is planning any major growth to ease Merseyside's employment problem.

Much the least evident of Liverpool's service industries, with turnover figures far more impressive than members employed, is the concentration of commodity brokers in the area. The Liverpool Cotton Association retains a world-renowned reputation for the arbitration skills of its members and their annual dinner, under the baroque arches of the Adelphi Hotel, has attracted even the USSR's cotton exports director to share in its unashamedly capitalistic euphoria.

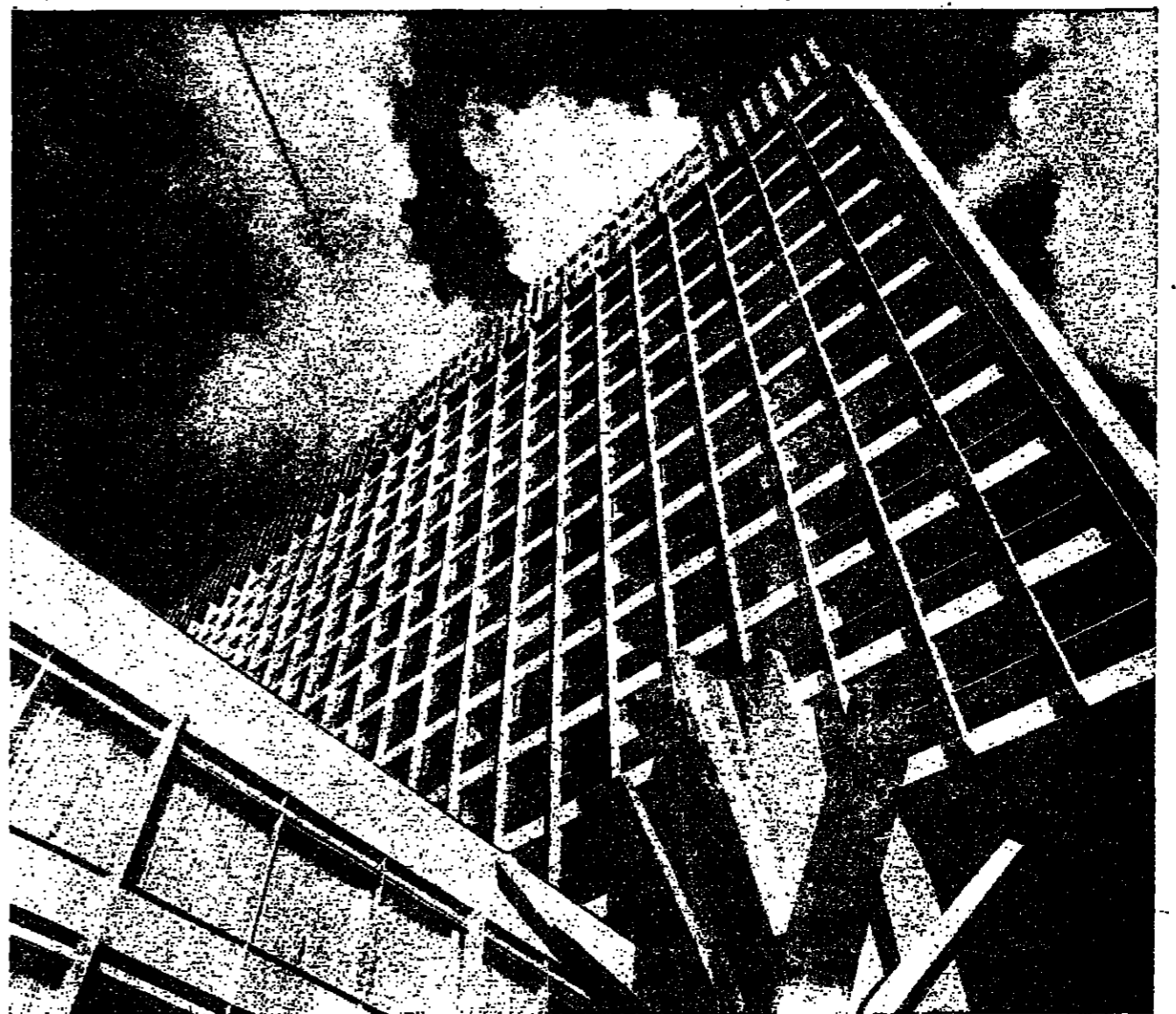
C. Czarnikow, which in terms of turnover ranks among the largest of Britain's private companies and deals in tallow, oils and fats brokers, has substantially increased the size of its Liverpool operation, though the

number of additional jobs inevitably amounts to no more than a dozen or so.

The overall impression, then, is of Merseyside doing its best to offset unemployment levels suspected to run as high as 30 per cent in deprived inner city areas by at least matching the national swing towards more jobs in service industries and fewer in manufacturing. Certainly, recent experiences in shipbuilding and repairing and in car manufacture (despite the continued presence of Ford and Vauxhall) surely must dissuade the most fervent supporter of Merseyside's traditional activities as the key to economic revival.

The classic argument for the failure of Triumph was that ex-dockers didn't make good car workers. Whether the long line of unskilled and semi-skilled factory workers at the Job Centres will fit neatly into vacancies in service industries is another matter entirely.

Robert Phillips



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The LITTLEWOODS Organisation

SERVING THE NATION - FROM MERSEYSIDE

Docks depend on co-operation

WHEN A shipper decides to use the port of Liverpool these days there is a good chance that as well as speaking to the marketing department he will also be asked to discuss his requirements with representatives of the dockers who will be handling his cargo.

It is not only at the quayside that the port's workers come into contact with potential customers. A marketing delegation which visited the Canary Islands for discussions with the fruit trade last summer included four shop stewards, and together they persuaded growers and exporters to strengthen their links with the port.

What new equipment is being introduced, too, the labour force is now very closely involved. Groups of dockers have been to the Continent and the U.S. to look at proposed new handling equipment in action and make sure that in their view, it would be suitable for use at the Royal Seaforth Terminal. Without their approval, port management points out, it is unlikely that equipment will be bought and if the dockers' representatives suggest modifications these will be made if possible.

The much greater involvement of the labour force is one of the most important changes to have taken place in Liverpool docks since the present Mersey Docks and Harbour Company took over following the financial collapse of its predecessor in 1970. And it is one of the main factors in the port's slow renaissance.

Improvement

Though Liverpool, like all other UK ports, has been affected by the prolonged recession, it has returned over the past three years to modest profits after accounting losses of £6m in 1974-75. In 1977 the total surplus reached £4m and although this figure will not be repeated when the accounts for 1978 are completed, the port will still end the year with a small profit.

The period has also seen a radical improvement in the port's once-notorious labour relations record. In 1972, before the introduction of new payments systems which replaced the previous system of quayside bargaining between shop stewards and management, over the rate for the job, 256,618 days were lost, an average of 26.9 days per man of the 9,541-strong register. By 1978 this had fallen to 8,922 days or only 1.3 days for each of the 6,916 men on the register. In the first 11 months of last year, the average number of days lost per man was 5.66, mostly accounted for by one short stoppage in January. The other major element in the port's recovery—again made possible as a result of the co-operation of the workforce—has been the extensive re-equipping of port facilities during the 1970s.

Liverpool's prosperity was built on the import of raw materials: wool and cotton for the textile industries of Yorkshire and Lancashire; oils, fats and other ingredients for the food industry; iron ore for the

steel industry; and on the export of finished products from the factories of the North and Midlands.

The past 25 years have seen a significant change, however, both in Britain's trading position and in methods of cargo handling. Imports and exports from far-flung colonial possessions have given way to increased trade with the EEC, benefiting Britain's East coast ports. At the same time, trade with developed countries and many developing countries has switched to containers and bulk carriers, leaving Liverpool with surplus capacity in its general cargo docks, extending like piano keys along the Mersey on both sides of the Pier Head.

To face these challenges, changes were decided upon in the 1960s, the most important of which was the decision to build the 250m new Royal Seaforth Terminal to the north of the existing docks on reclaimed land. Ten years later there are signs that the decision to make the port's future on this scheme is paying off. Initial losses Royal Seaforth is now making a profit overall and helping to offset losses made in other parts of the port, including general cargo handling.

The profit is being made at the highly-successful grain and timber terminals at Royal Seaforth, both of which have succeeded in recapturing business for the port. At the grain terminal a second silo has been added, recently bringing total capacity up to 135,000 tonnes and there are now three big grain processing mills established alongside the terminal: Kellogg's, Allied Mills and Continental Grain.

Total tonnages handled at the terminal have increased from 94,000 tonnes in 1974 to 1.7m tonnes in 1978, and following recently-completed modifications it is hoped that the terminal will be able to win a major share of the expected export trade in soft wheat resulting from last year's bumper UK harvest.

Through the timber terminal also rose last year to nearly 300,000 tonnes, from 191,000 tonnes in 1977, and to cope with extra demand there are plans to double covered storage space. This year the port is expecting also to approach the required break-even point of about 160,000 boxes at the container terminal itself. The boost from last year's level of about 126,000 will come from new contracts signed over recent months and from the opening towards the end of next year of a new £200,000 rail link which will give Liverpool direct access to British Rail's Freightliner network for the first time. Extra capacity is also being created through the use of ship's gear to unload containers and a total of £5m is also being spent on new straddle carriers for handling containers.

Attitudes

But while major changes have taken place in Liverpool docks—in cargoes and handling methods, in the physical facilities and, perhaps most importantly, in the attitudes of

management and dockworkers—the process has to be continuous, as Mr. James Fitzpatrick, managing director, points out. "We need to reshape what was basically a Victorian port to meet modern technological requirements and to provide customers with an efficient service for moving their cargoes. The main challenge comes from the general recession of the 1970s and the spread of container cargoes."

For the Mersey Docks and Harbour Company, which has already closed down its old south docks below the city's Pier Head, the decline is likely to mean a further slimming of the old docks system north of the Pier Head and further reductions in the labour force, already less than half the figure 10 years ago. The docks company is currently seeking a further 700 voluntary redundancies, to bring the total of registered dock workers down to fewer than 8,000.

The problem is accentuated, too, by the cut-throat competition for business between ports throughout the UK—some of which—the Royal Portbury at Bristol, for example—are anxious to fill expensively acquired new facilities with new business.

The strategy which Liverpool has decided to follow is gradual redevelopment of its North Docks system with selective infilling of the older basins, releasing more land for quayside servicing and processing. With a reshaping of the North Docks it is hoped to attract regular customers who will want to use facilities provided in the remaining general cargo docks, an example being the new wines and spirit unloading facilities which can pipe direct from ship to warehouse.

The terminal was inaugurated last summer with the landing of 165,000 gallons of rum from the Caribbean, but it can also handle exports such as whisky or gin. Other special facilities recently developed include a new roll-on, roll-off terminal for car exports and imports at South Bidston on the Birkenhead side of the river, and the opening in December of a new installation by United Molasses at Liverpool's Gladstone Dock to handle imports of edible oils and fats.

R.D.

Airport

CONTINUED FROM PREVIOUS PAGE

tour and cargo business at Liverpool. Speke could also benefit, Mr. Rufus points out, from the further development in the 1980s of third tier air services, using small aircraft with a carrying capacity only 20-30 to link business centres within Britain. Birmingham though only 100 miles away is another city with which services could be established on this basis.

The prospects for Speke look brighter therefore than for a very long time but the recovery has still only just started and a number of potential problems remain. The airport's accumulated losses over the last four years stand at £6m, and in the coming financial year they are due to be cut back only marginally to about £1m with break-even possibly being reached in four-five years' time.

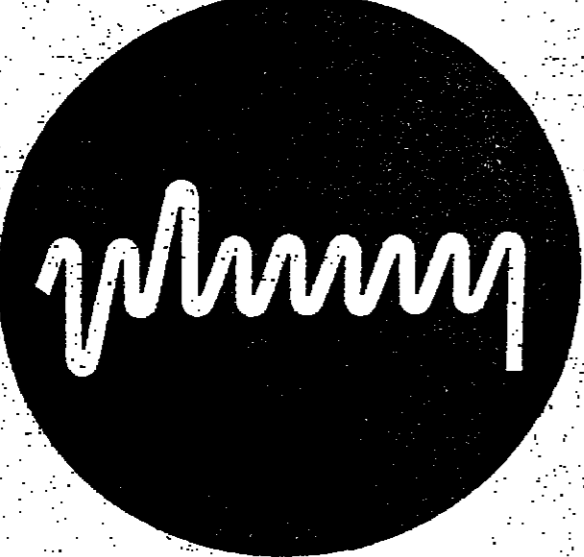
There is the danger, too, that the recovery in traffic which has taken place could, as in 1974, be halted by a further rise in oil prices, sparked off by renewed political instability in the Middle East.

The official Government designation of the airport as category C also represents a possible hindrance, as the verdict of the Civil Aviation Authority on a number of recent route applications indicates. The CAA refused to grant licences for new routes to Amsterdam and Paris partly because of the effect these might have had on services from Manchester, a category A airport. CAA policy is that these services should be filled before flights from neighbouring less important airports are added.

The airlines involved, British Midland and Air Anglia, have decided not to appeal but the airport authorities are hoping they will return within the next year or two with fresh applications. The airport authority—the Merseyside County Council—is also faced with a number of important decisions on the development facilities at Speke, and these are likely to involve further expenditure. Unlike Manchester with its sole runway, Liverpool actually has three, spread over a very large site. The latest runway was built in the 1960s and is capable of handling all traffic needs for the foreseeable future but is some way distant from the control tower and terminal buildings.

If, as seems likely, a decision is taken soon to go over to single runway operations—releasing the older runways, in part at least, for industrial development—it is likely the CAA would insist on new control tower facilities. A new terminal building might also be required, though in the short to medium term other options, such as bussing of passengers to and from the existing buildings, are likely to be acceptable.

R.D.



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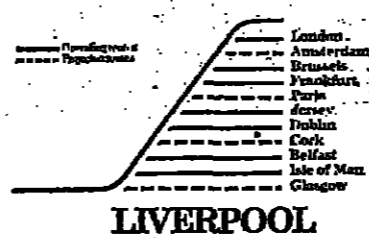
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MERSEYSIDE VIII

Tackling inner city decay

THE GOVERNMENT'S inner city policy is on trial in Liverpool. Failure on Merseyside would sound the death knell of a strategy devised to reverse the trend of urban decay in Britain.

Liverpool's inner city problems — unemployment, environmental decay, population exodus and lack of business confidence — reflect those other major industrial conurbations such as London and Tyneside. The whole battery of Government and local authority policies to combat these problems is on display in Liverpool, from straightforward industrial incentives through to measures designed to improve the inner city environment, the list of special aid to the area reads like a "what's what" of inner city policy.

Partnership

Certainly if the regeneration of inner city areas could be brought about by willpower alone Liverpool's problems would be over. There have been failures and successes and it is arguable whether recent government measures such as the partnership policy and the Inner Urban Areas Act have had sufficient time to prove their full potential.

Many involved closely with Merseyside's industrial regeneration argue that finance is still lacking and that more could be done to help drag the city out of its seemingly endless decline.

There are, however, a number of signs that Liverpool is beginning to come to grips with the problems of urban decay. Private industry is showing renewed interest in the city centre and the derelict South Docks area, and the city has been unable to keep up with the demand for advanced nursery factory units. The main site for redevelopment in Liverpool remains the 400-acre South Docks but shortly before Christmas agreement was reached on plans for a £20m redevelopment of 50 acres in the docks. The Mersey Docks and Harbour Company has agreed the terms of a 125-year lease on the site with financial institutions backing Gerald Zisman Associates, the development consultants.

The consortium is planning a trade, industrial and export centre which could create up to 10,000 jobs. The agreement was reached two months after Mersey County Council announced plans to buy the whole 400-acre site from the docks use by the Worcestershire company Pavilion Recreation covering a 40-acre site.

Other recent achievements which give hope for the future include approval for Wimpey's the builders to build 300-private homes on a 20-acre site in central Liverpool and the sale of the infamous "Piggyback" council tower blocks to Marquee Securities, a Surrey property company.

The twin central features of the Government's current policy on the inner city areas are the partnership agreements and the provisions and powers of the Inner Urban Areas. Both are innovations and therefore it is difficult to assess their full potential. Liverpool is one of the seven partnership areas in Britain and it is just over one year since the first was established, in Birmingham. Much of the time since has been spent devising the partnership's strategy for dealing with the problems of inner city dereliction.

Partnership arrangements involve both local authorities and the Government, through Government Ministers, and in consultation with other local organisations to look at ways of regenerating the inner cities.

In Liverpool, the main problems facing the partnership were loss of jobs from the docks and manufacturing sector, which has been substantial and which has not been compensated for by an increase in the service sector.

The main purpose of the partnership area's strategy therefore has been to halt the decline in the inner city. Within this strategy it has identified a number of key issues for consideration. These include domination of the local economy by externally-controlled enterprises, the low proportion of manufacturing employment in small and medium-sized companies with growth potential, a loss of training opportunities in the manufacturing sector and constraints on private sector investment because of the poor environment and shortage of development sites.

The partnership was allocated £11m for construction work under the £100m construction package announced by the Government in 1977. Of the £11m just £4m over the two years 1977/78 and 1978/79 was earmarked for the building of advance factory units. Contracts for 60 small nursery units

totaling 175,000 sq ft were placed a year ago and the company, but negotiations over this purchase are unlikely to be affected by the Zisman agreement. Discussions are also continuing over another development for shopping and leisure scheme was launched last June. In the seven months since all but eight of the units have been sold. Of those units sold 55 per cent have gone to local companies, about 30 per cent have gone to Merseyside companies wanting to return to the city centre and the remaining 15 per cent to outside companies.

The danger now is that demand for these small factory units will outstrip supply.

Target

In the current financial year the partnership will receive £3.5m for urban programme projects, while it has been allocated a further £10m a year for the next three years under the new Inner Urban Areas Act's enhanced urban programme provisions. Of this £30,000 will be spent in 1979-80 on new factory units—sufficient only to build

40,000 sq ft of new premises—with the allocation increasing to £1.85m for the years 1980-81 and 1981-82.

Mr. David Mowat, Liverpool's Industrial Development Officer, says this is insufficient to meet demand. He believes the city should have a target of providing 500,000 sq ft of factory space a year. This in itself creates problems because of a shortage of land in the inner city designated for industrial development.

In 1979-80 £330,000 is earmarked for the acquisition of new industrial development sites, together with £100,000 for the provision of site services. The amount available for acquisition will rise to £680,000 a year in 1980-81 and 1981-82 with £350,000 a year for site services.

The bulk of the remaining partnership funds will be spent on providing loans for industry, industrial refurbishment (£1.25m) housing, voluntary organisation projects and a further £2m for environmental improvement.

The Inner Urban Areas Act, which became law last summer, was aimed primarily at encouraging local authorities, and particularly those in the inner cities, to take an active role in the Government's industrial strategy.

It provides extra powers for selected areas, including the partnership areas, which has enabled them to make commercial loans for land purchase, construction and the modernisation of buildings, the installation of services of up to 90 per cent of the value of land and buildings where other sources of finance are not available.

In addition, it allows local authorities to designate Industrial Improvement Areas in which they can give grants of loans for environmental improvements, or to convert buildings to provide new jobs.

Merseyside at present has two such areas, one of which, the Great Howard Street Industrial Improvement Area, is in the inner city.

Since its designation in November there have been 35 inquiries from companies wishing to develop their premises and 17 firm applications of the scheme qualifying for 100 per cent grants. The county

and two grants have been made for improvements. The success of the scheme can be judged by the fact that it has now been closed to further inquiries. In the partnership areas authorities can give grants towards rent, help companies taking on new leases on property not owned by the local authority, and provide interest-free loans for up to two years to bring derelict inner city sites back into use.

Clearly, improvement of the inner city environment is a major factor in renewing business confidence in the area and stemming the population outflow. To this end Liverpool is benefiting from both the derelict land clearance scheme and "Operation Clean Up".

A number of Government schemes have been begun in Liverpool to improve the environment. More than £1.5m is to be spent on clearing up derelict land on Merseyside under the derelict land clearance scheme qualifying for 100 per cent grants. The county

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council so far has approved nine projects covering a total of 170 acres, including a 15-acre site near Liverpool's centre.

Last November the Government approved a £2.5m grant for a joint Manpower Services Commission and Liverpool City Council scheme to create 750 jobs. Under the scheme two units are to be formed: a building unit creating 500 jobs with a £1.9m Government grant for the first 12 months, and a landscaping team providing 250 jobs, with a £883,000 grant. Liverpool has approved expenditure of £850,000 for the projects until March 1980. Also in November the city council's new-found enthusiasm for conservatism rather than demolition was recognised when it won one of Europe's top conservation awards — for a £5m project under its inner city and conservation and rehabilitation programme.

The programme features conversion of large Victorian houses in Liverpool's city centre into flats. In conjunction with housing associations, the council so far has converted about 350 houses into 1,350 flats.

In addition to those measures designed specifically to benefit, and assist the inner city area, Liverpool also has benefited from Government regional policy aimed at supporting Merseyside as a whole.

Merseyside was declared a Special Development Area in August 1974 and such benefits from the full range of regional incentives. In the five years between 1973-74 and 1976-77, it is estimated, Merseyside received about £302m in regional financial assistance for industrial development.

It is estimated that regional policy has created 100,000 jobs on Merseyside since 1945. However, this has failed to keep pace with jobs lost: 80,000 disappeared between 1961 and 1971 alone. Under the Industry Act there is a whole range of aid available to industry expanding or establishing itself on Merseyside, including 22 per cent grants for building, 22 per cent grants for plant, interest relief on grants, loans on favourable terms and up to 80 per cent of removal costs.

Paul Taylor

Soccer fans nourished on success

A PHENOMENON to be seen frequently in Liverpool and around its houses with all the exterior woodwork—and sometimes even the brickwork—painted in bright scarlet or royal blue, in defiant proclamation that the householder is a supporter of Liverpool FC or its City rival Everton. At least one case has been reported of a child, male thank goodness, being christened with the surnames of the entire Liverpool team.

An outsider's first visit to Anfield, home of Liverpool, or Everton's stadium, Goodison Park, is a daunting experience. Attendances at these grounds are among the top half-dozen in the country—but the sheer animation of the extensive terracing, reverberating with colour and sound is dauntingly impressive—and often worth a goal start to the home side.

The inhabitants of the Kop, the towering south bank terracing at Anfield, are renowned throughout British football as the most passionate supporters in the land, famed for their singing and their caustic wit—

yet known to temper their partisanship by generous recognition of doughty opponents at the end of the match.

Campaign

The Liverpool fans have been nourished on success in recent years; the club has finished in the first three in the Football League's First Division every season since 1971-72, winning the title three times and it has set the pace again in this season's campaign. Liverpool's 10 League championships is a record. They won the FA Cup in 1974, and reached the final in 1971 and 1977, and, on the European scene they won the European Cup in 1977 and 1978, and the UEFA Cup in 1973 and 1976.

A tradition of sound management has been built up. The much-loved Scot, Mr. Bill Shankly, of the sharp, tersely delivered witticisms, was succeeded more than two years ago by Mr. Bob Paisley, a quiet, thoughtful Geordie who has spent his entire career with the

club, and the transition produced scarcely a hiccup.

Liverpool have never allowed their team to grow too old together in a way that would have interrupted success. They seem always to have the right men to take over at the right time—and this season, Emyrn Hughes, captain of England, had to wait three months to regain his place. Their greatest player, Kevin Keegan, was sold a season and a half ago to Hamburg for half-a-million pounds and disaster did not come.

Instead the expensive new buy from Scotland, Kenny Dalglish proved an immediate success, though he has been short of goals recently.

Rivals Everton, who have been in the shadow of their neighbours for many years—despite the generosity of their former chairman, Mr. John Moores, the octogenarian millionaire who headed the Liverpool-based pools company, Littlewoods—have emerged this season as a real force under their new manager, Mr. Gordon Lee, and the First Division championship looks like being a tough battle between these two

clubs and West Bromwich Albion. Mr. Lee's rebuilt side may not play as attractively as Liverpool, but they have earned new respect for their efficiency.

Other codes of football are extremely well supported on Merseyside, which is also a Rugby League hotbed, with such sides as St. Helens, Widnes, and Warrington, and there are quite a few strong Rugby Union clubs—Liverpool have an unbeaten run of 20 games.

Aintree, a Liverpool suburb, is the home of the most famous steeplechase in the world, the Grand National, which in pre-television days drew crowds of 8-10 to watch brave horses and men tackle some awesome jumps. But in recent years the course has had a turbulent history and it is now in the hands of the Official Receiver because the Walton Group, headed by Mr. Bill Davies, was not able to fulfil its commitments. From time to time reports are published about new bids to take over the course—perhaps, one day, one of these tales might come true. Ladbrokes, the bookmakers, rescued the Grand National meeting, and

this year is the fourth of the company's seven-year lease. Ladbrokes will spend £250,000 this year to stage three days of racing—and mend the ravages of the other 362 days, too. Local motor club enthusiasts are allowed the use of the former grand prix circuit, though this has nothing to do with the Ladbrokes arrangement.

Tradition

Liverpool, of course, has a great boxing tradition, producing such greats as Mel Taylor and Ernie Rodriguez. Not so long ago, its famous venue, Liverpool Stadium, which had been in disuse for a decade, was refurbished (with some help from Mr. Moores) to provide the stage for local boy John Conteh to win the world light-heavyweight championship against Len Hutchins. Britain has produced few boxers of the calibre of Conteh, though his opportunities have not been all that frequent. The stadium also stages the gruff, grapple and grimace of professional wrestling.

Merseysiders are not just

mere spectators, though. It is a great golf, cricket, and Southport alone has six courses including world-famous championship links: Royal Birkdale. Then there is the Wirral Ladies' Club at Bidston—established, owned and run by women, quite a rarity!

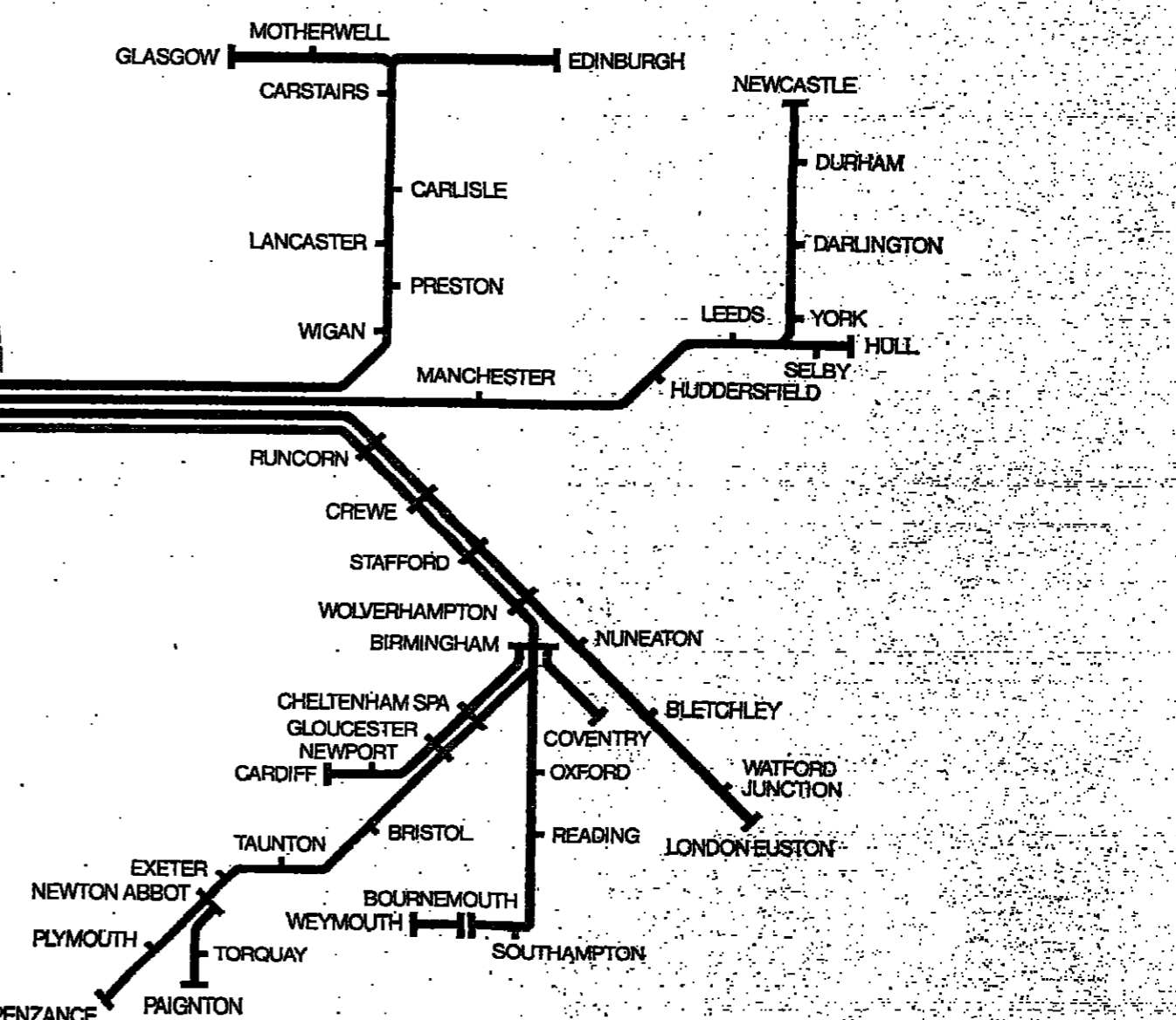
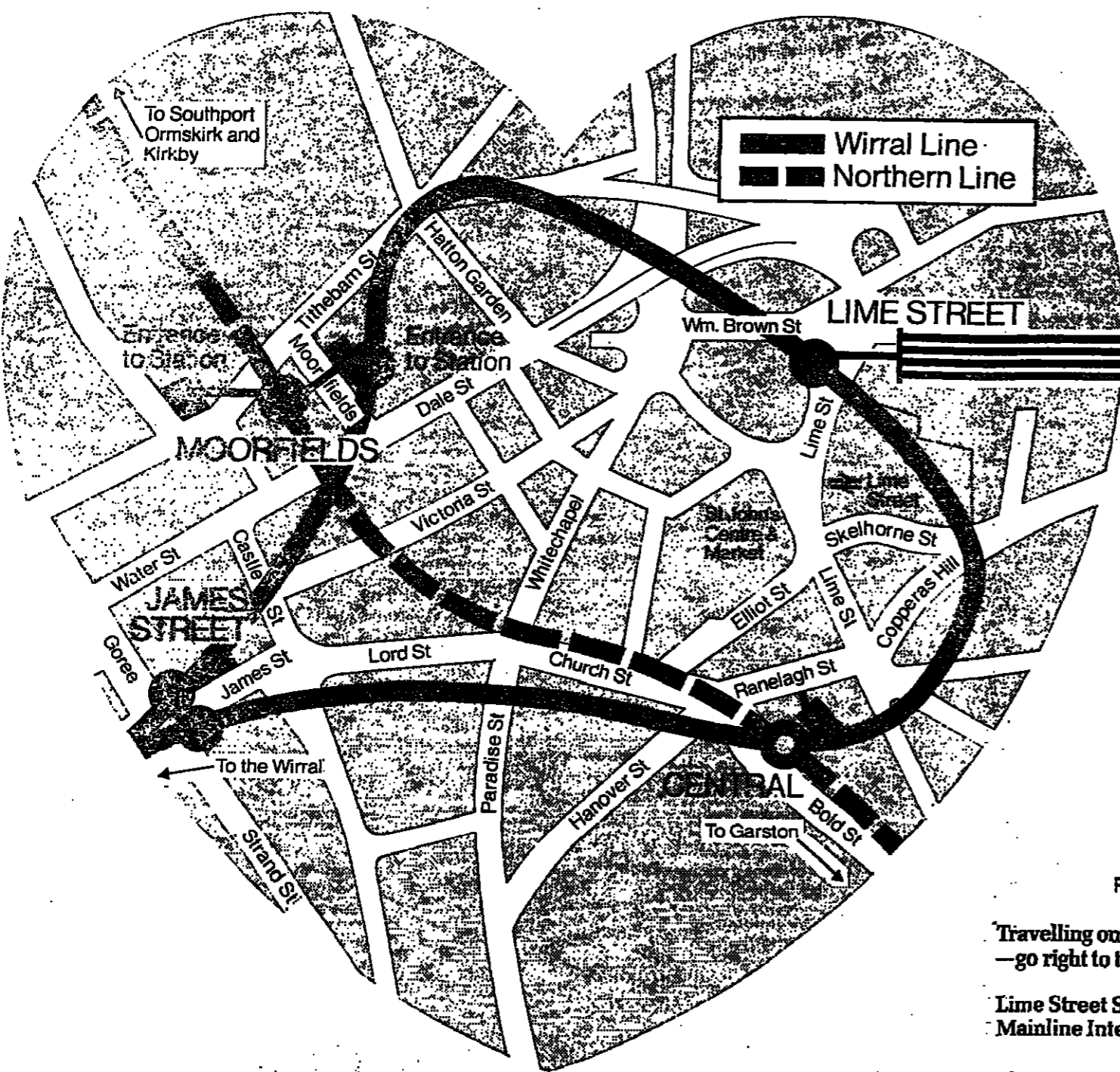
For 5p a day there is coarse fishing at Wirral Country Park, Thurston, but poorer anglers can shore-fish free from the Dee foreshore at Thurston and Caldy, and in the Mersey. But there are some strange catches.

Scattered about Merseyside are several sports and leisure centres—open 14 hours a day. For a bit more excitement, there are speedboats at Carr Mill Dam, St. Helens. And, what ever glugs-on there are at the transatlantic YMCA, at Liverpool's Mount Pleasant branch the four centres around athletics, gymnastics, fencing, karate and judo. And, if that is not exotic enough, we shall have to settle for the sauna, Russian and artificial sun bath at the Picton Road Sports Centre.

James French

Move around Merseyside

Merseyrail gets you to the heart of the area



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Lime Street Station — Liverpool's link with BR's Mainline Inter-City Services.

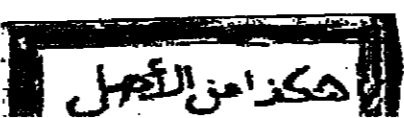
The Inter-City network reaches right into the centre of Liverpool at Lime Street Station and from there you can

join Merseyrail, a system of frequent local trains which serve Merseyside and the surrounding area.

Inter-City Sleepers between Liverpool and London are perfect for busy people — saving you a day as you travel, enabling you to arrive as fresh as a daisy.

Refreshment facilities are available on many Inter-City trains. Relax in rail comfort with Inter-City and Merseyrail.

Merseyrail and Inter-City—the integrated rail service.



Financial Times Friday January 19 1979

These particulars are given in compliance with the Regulations of the Council of the Stock Exchange for the purposes of providing information to the public with regard to the Company. The Directors collectively and reasonably believe that the information given in this document is true and correct and that there are no other facts which would make the information given in this document misleading, false or deceptive in any material particular.

ARLEN ELECTRICAL LIMITED

(Formerly Enalon Plastics Limited) (Registered in England under the Companies Act 1929—No. 414086)

Authorised £1,000,000 In 4,000,000 Ordinary shares of 25p each Issued and fully paid up £660,000

As at the close of business on 30th September, 1978, the Enlarged Group had outstanding Indebtedness of £1,029,851, of which £474,931 was secured bank indebtedness. £577,245 advances against discounted bills and loan capital or other borrowings or indebtedness to the extent of borrowings, including bank overdrafts, had fallen under acceptance or agreement of any subsidiary or other material.

Directors LEONARD CHARLES REDFERN Chairman and Joint Managing Director, ARLEN ELECTRICAL LIMITED, 217, The Quadrant, London, N.W.1.

1. INTRODUCTION: On 17th December, 1978, the Company entered into a conditional agreement for the acquisition of the whole of the issued share capital of the Enlarged Group.

2. HISTORY AND BUSINESS: The Company was incorporated on 1st July, 1948 to accept the business of Mr. L. F. Moore, which had been carried on since 1973 by the Enlarged Group.

3. TERMS OF THE ACQUISITION OF THE ENLARGED GROUP: The Enlarged Group is a group of companies which includes the Enalon Group and the F.W.M.P. Group.

4. FINANCIAL STATEMENTS: The financial statements for the Enlarged Group for the period 30th September, 1978 are set out in the accounts.

5. DIRECTORS AND EMPLOYEES: Mr. L. C. Redfern, Mr. A. D. Levy and Mr. M. A. Silverman are executive directors of EFA.

6. PREMISES: The principal premises of the Enlarged Group are situated at 217, The Quadrant, London, N.W.1.

7. ACCOUNTANTS' REPORT ON THE EFA GROUP BY ERIC NABARRO & CO. AND LUBBOCK FINE & CO. CHARTERED ACCOUNTANTS: The accounts have been audited by the above-named accountants.

8. STATEMENT OF SOURCE AND APPLICATION OF FUNDS: The source and application of funds for the Enlarged Group for the period 30th September, 1978 are set out in the accounts.

9. DIVIDENDS: The Enlarged Group has not declared any dividends since its formation.

10. FINANCIAL STATEMENTS: The financial statements for the Enlarged Group for the period 30th September, 1978 are set out in the accounts.

11. GENERAL INFORMATION: The Enlarged Group is a group of companies which includes the Enalon Group and the F.W.M.P. Group.

12. DOCUMENTS FOR INSPECTION: Copies of the following documents will be available for inspection at the offices of Richards, Butler & Co., 55, Abchurch Lane, London, E.C.4.

13. NOTES: The accounts have been prepared in accordance with the provisions of the Companies Act, 1967.

14. SIGNATURES: The accounts have been signed by the Directors and the auditors.

15. COMPANY INFORMATION: The Enlarged Group is a group of companies which includes the Enalon Group and the F.W.M.P. Group.

16. FINANCIAL STATEMENTS: The financial statements for the Enlarged Group for the period 30th September, 1978 are set out in the accounts.

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25. GENERAL INFORMATION: The Enlarged Group is a group of companies which includes the Enalon Group and the F.W.M.P. Group.

This document has been prepared on the footing that the acquisition by the Company of the shares in EFA and related transactions, except the issue of any further shares, have been approved by the shareholders of the Company.

Definitions in this document the following abbreviations are used: "the Company" Arlen Electrical Limited (formerly Enalon Plastics Limited)

2. The cost of sales and expenses include the following items: Directors' emoluments, Directors' pension contributions, Depreciation and amortisation.

3. Taxation includes the following items: Corporation tax payable, Deferred taxation.

4. Extraordinary items comprise the following: Costs of abortive merger, Loss on sale of frehold.

5. No dividends have been paid throughout the period. Summary of turnover and profits.

6. Balance Sheets: Fixed Assets, Current Assets, Current Liabilities, Net Current Assets.

7. Capital commitments at 30th June, 1978 amounted to £128,000. Contingent liabilities at 30th June, 1978.

8. THE ENALON GROUP: FINANCIAL INFORMATION: Turnover and profits for the Enalon Group for the four years and fifteen months ended 30th September, 1978.

9. STATEMENT OF SOURCE AND APPLICATION OF FUNDS: Funds Generated from Operations, Funds from Other Sources.

10. DIVIDENDS: The Enalon Group has not declared any dividends since its formation.

11. FINANCIAL STATEMENTS: The financial statements for the Enalon Group for the period 30th September, 1978 are set out in the accounts.

12. GENERAL INFORMATION: The Enalon Group is a group of companies which includes the Enalon Group and the F.W.M.P. Group.

13. SIGNATURES: The accounts have been signed by the Directors and the auditors.

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15. FINANCIAL STATEMENTS: The financial statements for the Enalon Group for the period 30th September, 1978 are set out in the accounts.

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PRO-FORMA STATEMENT OF THE COMBINED NET ASSETS OF THE ENLARGED GROUP AT 30th SEPTEMBER 1978 AND 30th JUNE 1978

Table showing Pro-forma Statement of the Combined Net Assets of the Enlarged Group at 30th September 1978 and 30th June 1978. Assets include Fixed Assets, Current Assets, and Liabilities. Total Net Assets are £695,000 at 30th September 1978 and £695,000 at 30th June 1978.

Notes: (1) This represents the cost of shares in, and loans to, an overseas subsidiary not consolidated. (2) Includes an amount of £200,000 being the purchase consideration and costs of the business taken over by F.W.M.P.

10. PROFITS FORECAST: The assumptions on which the Directors have based the Profits Forecast contained in paragraph 4 above headed "Profits Forecast" are as follows: (a) The results of F.W.M.P. have been included in the EFA Group figures from 20th November, 1978.

(b) The current production rates will continue to be maintained and no major expansion will be undertaken. (c) The current production rates will continue to be maintained and no major expansion will be undertaken.

11. GENERAL INFORMATION: On 30th January 1979 the ordinary share capital of the Company was increased to £1,000,000 by the creation of 40,000 ordinary shares of 25p each.

(a) The Directors are not aware of any other interest amounting to 5 per cent. or more of the issued share capital of the Company. (b) The Directors are not aware of any other interest amounting to 5 per cent. or more of the issued share capital of the Company.

(c) The Directors are not aware of any other interest amounting to 5 per cent. or more of the issued share capital of the Company. (d) The Directors are not aware of any other interest amounting to 5 per cent. or more of the issued share capital of the Company.

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UK COMPANY NEWS

Companies and Markets

Dixons making good headway

TAXABLE PROFIT of Dixons Photographic rose from £4.7m to £5.5m for the first half to November 11, 1978...

With the exception of the pharmaceutical division which is still experiencing difficulties...

The Christmas trading period was a record for the retail division which has opened a further 16 shops...

The overseas division lifted total sales from £28.4m to £34.3m including sales of £11.25m and a net loss of £10.0m for Dixons Rinck BV until its disposal...

Denbyware well up at halfway stage

WITH PRE-TAX profits of Denbyware, pottery manufacturer, up from £225,000 to £334,000 in the half year to September 30, 1978...

However, the board adds, in the present conditions predictions are not very meaningful. The net interim dividend is the same at 2.1125p per 25p share...

Mr. G. H. J. Robinson, chairman, says that, in spite of the decline in sales, he is pleased with the increase of virtually 50 per cent in pre-tax profits...

The main reason for the sales fall was in the overseas business, particularly in the U.S. where retail trading has been depressed for some time...

LOOKERS LIMITED

Table with 2 columns: Financial Metric and Value. Includes Turnover, Group profit before taxation, Taxation, Group profit after taxation, Dividends per 25p share, Final dividend, Retained profit, Earnings per share.

The results for the year are yet another record for the Company. This is particularly gratifying as the Company has performed well in a highly competitive trading situation...

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends...

comment

After a decade of seldom interrupted and sometimes spectacular growth, pre-tax profits at Dixons Photographic have recently lost some of their sparkle...

comment

Denbyware's remedial action has put it on a firm recovery trend. Apart from running down its U.S. furniture importing operation...

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Vaal Reefs boosts its profits and payment

BY KENNETH MARSTON, MINING EDITOR

A MUCH bigger than expected final dividend and a sharply increased December quarter net profit are the good tidings for holders of Vaal Reefs...

South African Land makes a surprise return to the dividend list with a payment of 25 cents, the first since 1976 when mining operations ceased...

Western Deep is declaring a final 82 cents which, though below expectations, is equal to the total paid for 1977 and raises the 1978 total to 147 cents...

Because of holidays in the December quarter, production at the Anglo group mines has been below that of the previous quarter...

A better year for Palabora

BECAUSE of maintenance work at the smelter, copper production of the Rio Tinto-Zinc group's Palabora copper mine in South Africa fell to 27,197 tonnes in the December quarter...

Sales of other products from this big open-pit mine last year included: magnetite 116,597 tonnes (438,298 tonnes in 1977), sulphuric acid 116,759 tonnes (120,615 tonnes), vermiculite 193,046 tonnes (194,390 tonnes)...

Arten rejoins official list

A prospectus for Arten Electrical, formerly Enalon Plastics, which is rejoining the official list of the Stock Exchange, is published today...

PERSONAL HOMAGE

It is a good thing sometimes to say what one says to someone outstanding in his field. Harry Winston is dead. For a long time he has been a legend...

Denison earns record C\$58m

NET INCOME of Canada's Denison Mines has advanced in 1978 to a record of C\$58.2m (€24.3m), or C\$12.75 per share, from C\$37.9m in 1977...

The major factor in the latest good results was the increase in shipments of uranium. Other factors included slightly higher revenue from the Alberta oil and gas interests...

Profits of the young East Rand Gold and Uranium (Ergo) dump treatment operation have been checked in the past quarter by the fact that only a small proportion of the period's uranium oxide production was sold...

KMA LIFTS ITS GOLD OUTPUT

Reflecting a rise in the average ore grade to 5.68 grammes gold per tonne from 3.84 grammes, Australia's Kalgoorlie Mining Associates—in which Poseidon has a stake—lifted gold production to 12,159 oz in the last week of the year...

WESTERN TRUST TO BE SOLD

Western Trust and Savings, the consumer banking company, is expected to be sold to an unnamed "major international financial institution". This was announced yesterday by Sir Denis Mountain, chairman of the company...

EAST MALARTIC SLOWS DOWN

Because of ore depletion and a reduction in grade, Canada's East Malartic Mines is to curtail development at its Quebec gold project and to concentrate on salvage work...

EMERSON SELLING BROADWELL

Emerson is not to buy the outstanding 12.2 per cent of its 87.8 per cent owned British subsidiary, Parhe-Marconi EMI Ltd. The group last paid a dividend of 10 cents in May, 1975, and that was the first payment since 1957...

NO PROBE

The merger between Redland Roof Tiles and Essex Group Industries is not to be referred to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973...

BANK RETURN

Table with 2 columns: Department and Financial Metric. Includes BANKING DEPARTMENT (LIABILITIES, ASSETS) and ISSUE DEPARTMENT (LIABILITIES, ASSETS).

BIDS AND DEALS

Racal buys major stake in MESL electronics

Racal, the military radio and communications group, has announced it is to buy 50 per cent of the shares of Microwave and Electronics Systems (MESL), makers of security equipment and other electronics...

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Broker's view on Guthrie bid

Leading stockbroker analyst of the bid for Guthrie shares, Lawrence Prust has given his comfort to either side in the Sme Darby (Holdings) Guthrie Corporation bid battle...

Eagle Star and EPC to hold talks

The Board of EPC yesterday considered the approach made by Eagle Star and decided to enter into the proposed talks with the group...

Arlington pays £725,000 for Northampton Car Auctions

Arlington Motor Holdings, the truck, bus and car distributor, has broken new ground by entering the car auction market...

SHARE STAKES

Grange Trust - Contaduis Pension Fund is interested in 72,500 shares (7.5 per cent) registered in the name of Courtauld's CIP Nominees...

COMPANY NOTICES

CITY OF OSLO 7 1/2% 1972/1987 FF 100,000,000 Loan. We inform the bondholders that the annual redemption of FF 2,500,000 due on March 1, 1979 has been effected by purchase on the market...

ART GALLERIES

Established in Amsterdam. PARTICIPATION CERTIFICATES (issued by Royal Exchange Assurance). NOTICE IS HEREBY GIVEN that the art gallery, being the subject of the certificate, will be sold on 18.05.1979...

PHILIP CLARK has joined our firm as a General Partner

We are pleased to announce that PHILIP CLARK has joined our firm as a General Partner.

L.FROTHSCHILD, UNTERBERG, TOWBIN. MEMBERS ALL LEADING EXCHANGES. 55 Water Street, New York, N.Y. 10041.

UK COMPANY NEWS

BET grows by £5.4m at halftime to over £34m

INCLUDING A share of associated company profits from £2.02m to £2.2m. Brites Electric Traction Company lifted taxable earnings for the half year to £3.37m from £3.37m to £3.37m.

For the six months sales by the group whose interests include investment and property, television rental, overseas broadcasting, passenger and freight transport, independent television in the UK and films and television services, were up at £34.4m against £28.2m and trading profit reached £3.85m (29.4%).

profit spinners among its various operating divisions it looks capable of reaching a respectable £77m before tax for the full year. The shares, which moved up 19 to 11 September, are on a very undemanding prospective yield of 8.6 per cent.

comment

With an 18.5 per cent pre-tax profit increase to £34.4m at the interim stage, BET is well on the way to achieving its forecast of a full year figure in excess of £87m.

Warner Estate reaches £1m mark

FROM TURNOVER of £5.34m compared with £4.98m profits before tax of Warner Estate Holdings advanced from £98,250 to a peak £1,006,781 for the year to September 30, 1978, with £435,239 against £388,389 coming in the first half.

Associated Paper up to £1.96m

DESPITE A six-month loss of £200,147 by George M. Whaley group, pre-tax profits of Associated Paper Industries were up from £1.8m to £1.96m in the year to September 30, 1978.

Brentnall Beard moves to stem Canadian losses

A LOSS of £526,188 for the year to September 30, 1978, together with a major reorganisation of group interests in Canada are announced by the directors of Brentnall Beard (Holdings).

Brentnall Beard (Canada) has reduced its holdings in its three operating subsidiaries by the sale of shares to companies owned by executives of those subsidiaries.

The overall effect of the transactions is to increase the group's attributable interest in Brentnall Beard (Canada) from some 43.1 per cent to 50 per cent and reduce its attributable interest in Desvil from 53 per cent to 50 per cent and in FUM from 53 per cent to 39 per cent.

Mackinnon finishes lower at £401,000

THE FIRST half leap in taxable profit from £55,000 to over £322,000 achieved by Mackinnon of Scotland, knitwear manufacturer, was more than wiped out by a fall in performance in the second six months. The company finished the year to the end of October 1978 with surplus at £401,083, compared with a record £431,523 last time.

Board changes at EIH

FOUR DIRECTORS have resigned and four new ones have been appointed to Edinburgh Industrial Holdings, the troubled holding company with interests in oil and ship broking.

Lincroft Kilgour tops £0.87m in difficult trading conditions

AS EXPECTED at the interim stage, profits of the Lincroft Kilgour group increased and management's outlook for the year ended September 30, 1978, did not reach the record level of £1.04m achieved in the previous year.

total of 3.9p against 3.5p. The final includes 0.035p in respect of the previous year due to the tax change.

from £12.34m to £13.57m. After tax of £20,297 (£130,977) and minorities, the attributable profit is £204,303 compared with £200,039.

INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

Table with columns: Total Assets Less Current Liabilities, Company, Shares or Stock, Date of Valuation, Annual Dividend, Net Asset Value after deducting prior charges, Investment Currency Premium, Total Assets Less Current Liabilities, Company, Shares or Stock, Date of Valuation, Annual Dividend, Net Asset Value after deducting prior charges, Investment Currency Premium.

* Applied to Ordinary/A Ordinary only. * Company will announce year-end or interim results shortly. * Change in the prior charges since the previous published figures. * Includes special dividend. * Adjusted for scrip issues. * Adjusted for rights issues. * Not directly comparable with previous published figures. * Dependent on "B" share conversions.

Helping Western exporters to sell their goods to the Japanese

BY CHARLES SMITH, Far East Editor

THE JAPANESE know a lot about Europe, but Europe, including its businessmen, knows relatively little about Japan — and what it thinks it knows is often based on misconception or out-of-date information. This is the contention of a new book which aims to bridge this knowledge gap and in the process to help Western exporters sell their goods in Japan. Whether or not it is true that foreign misconceptions, rather than Japanese unwillingness, have provided the main barrier to increasing Japan's imports of manufactured goods in the past few years, the book certainly succeeds in painting an intriguing picture of what makes the Japanese tick as consumers.

The notion is presented that Japan is one of the most homogeneous nations in the world, from a class as well as an ethnic point of view. Ninety per cent of the population "think they belong to the middle class," the book explains. They may be right, given that rapid economic growth has made Japan into a nation consisting overwhelmingly of salaried men spending or hoping to spend, a lifetime with the same employer.

The author says that the Japanese middle class was formed with unprecedented speed during the 1960s simultaneously with the explosive growth of the economy.

Graduation into the middle class was denoted during this decade by possession of those consumer durables (cars, TV sets, air conditioners, etc.) which neighbours were also acquiring. This meant that, for a period of ten to 15 years, Japan's 110m people were engaged in a massive exercise of "keeping up with the Joneses."

Mass market

The demand for consumer durables which resulted from this process created the world's fastest growing mass market for such products, which in turn meant that Japanese industry was uniquely well placed to benefit from economies of scale. The book does not say so, but the foreign reader may deduce that the stress on uniformity rather than variety helped local mass producers of consumer goods a good deal more than it helped would-be importers of more diversified (and expensive) foreign products.

By the early 1970s Japanese buying habits had produced a situation where the foreign observer might have been forgiven for picturing the typical Japanese family as living "under a heap of consumer durables." By the early 1970s colour television had already reached 95 per cent of Japanese

households, and today about a quarter actually own two colour TV sets. This does not mean, however, that Japan has become a genuinely affluent country. Housing standards remain exceedingly poor by Western standards, as do social amenities. Tokyo for example has about 1.4 square metres of park per inhabitant compared with London's 28 square metres.

The shock of the oil crisis in 1973, following a year or two of gradually increasing disillusionment with the results of rapid growth, turned the Japanese into a more thoughtful group of consumers, interested in variety and in the quality of life.

The book—which has been written by Dentsu Inc, Japan's largest advertising agency—implies that this is where the foreign businessman should seize his opportunity but omits to mention that during the first 18 months after the oil crisis Japan's imports of manufactured goods shrank so fast that opportunities were actually few and far between.

Selling to Japan nowadays requires a grasp of the various types into which Japanese consumers are beginning to divide themselves and of how best to reach them. Dentsu identifies eight main varieties of Japanese urban male consumer starting with the "typical salary man

whose main characteristic is his characterlessness" (presumably this is the type who still measures his standard of living solely in terms of consumer durables) and ending with the "average Japanese traditionalist" who presumably is not too much interested in buying Western goods.

The loner

In between come more promising categories, such as the "fashionable epicurean" who is "apt to squander money" and "lives a rich and varied life," and the "spend-thrift, easy going young." A characteristically Japanese type, who might nevertheless be a promising target for importers, is the "appearance-oriented loner" who "buys first class imported goods as accessories even if the price is high." Dentsu claims to have identified these and other categories of post-oil crisis Japanese consumers during a survey of the life-styles of 701 men in Tokyo conducted in 1974.

The last part of the book tackles the question of how the foreign businessman should reach his market once he has identified it. This is, possibly, the most controversial section given the criticisms normally levelled against the complexity of Japan's distribution system

and its alleged functioning as a non-tariff barrier. Dentsu says it is true that the system is "diverse" and in some respects old fashioned. (As an example of the latter point, Japan has almost as many workers in its retail distribution industry as the U.S., though its population is only half as large).

Dentsu also admits that Japanese retailers are often "closely affiliated" to manufacturers and that this can make life difficult for importers. (The same situation, ironically, faced Japanese electronics exporters on their first entry to the West German market). The book's general advice to would-be users of the Japanese distribution system can be summarised as: "Think hard before you act." There are many alternative strategies open to importers (for example, use of established wholesalers, distribution through a manufacturer making related but not competing products, establishing a wholly-owned sales company, etc.).

Many foreign companies which have tried and failed to penetrate the Japanese market might have succeeded "if they had been more prudent advertisers," says Dentsu. Case studies of such failures would have been an illuminating, if embarrassing, supplement to the book — perhaps more illuminating than the six studies

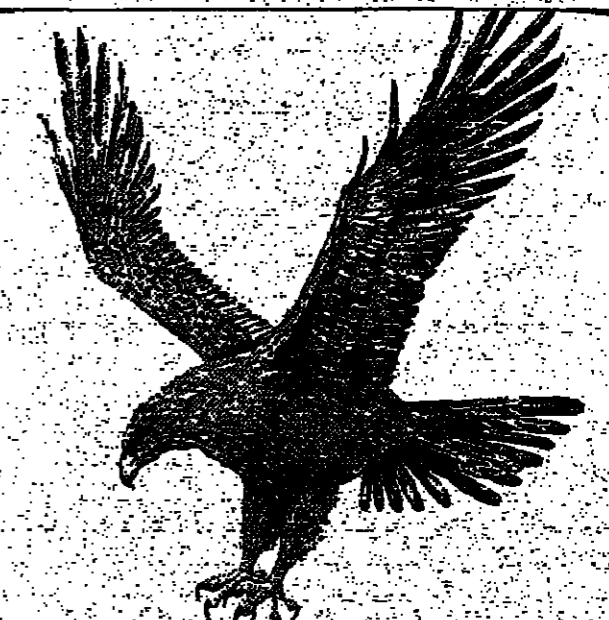
of successful exporters which are included.

Dentsu ends by listing 10 fallacies about Japan and its market to which it considers Western exporters are particularly prone. They include: the notions that Japan is just like Europe so that no special approach to its market is needed; that the Japanese love all European products so that the necessity for designing to suit Japanese consumer tastes can be ignored; that it is easy to recruit skilled staff in the Japanese labour market (actually all the best people are already working for Japanese companies); and that returns on marketing investments made in Japan can and should be rapid.

Success stories

Dentsu might have included an 11th fallacy—that getting into the Japanese market can be done for as little or less than it costs elsewhere. Actually Japan would appear to be one of the most expensive and time-consuming markets to which any businessman could possibly devote his attention. But as the handful of success stories quoted in the book demonstrates, it can also be one of the most rewarding.

* Marketing opportunities in Japan, by Dentsu Incorporated, McGraw-Hill (UK) £10.



Where Eagles Dare

The dizzy heights of success aren't always achieved by keeping your feet firmly on the ground. It often means taking a birds eye view of opportunities, seeing the ones that aren't so obvious, the ones others can't, then grasping them. And it's not by accident that our symbol is an Eagle. Find out about the 'golden' opportunities awaiting you in Knowsley.

Contact: Noel Cannon, Planning, Estates & Architectural Services, Department, Knowsley Borough Council, Municipal Buildings, Archway Road, Hayton, Liverpool L36 9JX Tel: 051-489 6008

La Redoute

In his year-end Letter to the Shareholders, Henri POLLET, Chairman/Managing Director, takes stock of the company's position at the end of the first half of the 1978/1979 fiscal year (March 1-August 31), and of the group's operations up to November 30, 1978.

La Redoute S.A.
In the first six months of the fiscal year, sales revenues with taxes totalled Frs 1,360 million, an increase of 13.6% from Frs 1,188 million. The operating profit at Frs 273,000,000, was 15.3% higher than the previous figure of Frs 237,000,000. The net profit rose from Frs 124,000,000 to Frs 145,000,000 after a Frs 3,500,000 provision for decline in value of the SARTHA and VESTRO shares.

In the first nine months, sales revenues stood at Frs 2,300 million, an improvement of 15.5%. It is anticipated that this rate of improvement should be maintained for the remainder of the fiscal year.

Subsidiaries and Alliances—to November 30th were more favourable than targeted—VINAREF—sales revenues with taxes: Frs 42,000,000 (up 20%) and PREMAMAN—sales revenues with taxes: Frs 133,000,000 (up 23.5%); and others were on target (Editions ROMBALDI)—sales revenues with taxes: Frs 71,000,000. Only the with-tax sales of Société Nouvelle d'Expansion Redoute, while up 35.5% at Frs 150,000,000, are slightly below the objective.

Abroad, the revenues (with taxes) of the Belgian subsidiary SARTHA were up only 4.2% at BF 278,000,000 due to depressed business conditions and difficulties in installing the new operating unit. Autumn-Winter operations, which were expected to bring the year's improvement to 8%, will not suffice to avoid a loss.

In Italy, the 35% upward in VESTRO's volume of business justifies the capital expenditure—made and the large funds committed. While the company's earnings are not yet on the same upward as the revenues, the qualitative and quantitative improvement of the customer list, and the enhancement of the market share held should enable this subsidiary to maintain its pace in 1978/1979 and to reduce its loss.

For the REDOUTE Group as a whole, the consolidated sales revenues with taxes, including Editions ROMBALDI, since increase of the holding from 6 to 65% in June 1978, were Frs 1,719 million (up 12.2%) to the end of the first half and Frs 2,901 million (up 20.5%) in the first nine months of 1978/1979. This rate of increase should be maintained for the rest of the fiscal year and enable the Group to earn a consolidated net profit similar to last year's figure.

FOOD PRICE MOVEMENTS

	January 18	Week ago	Month ago
	£	£	£
BACON			
Danish A.1 per ton ...	1,140	1,140	1,140
British A.1 per ton ...	1,110	1,110	1,110
Irish Special per ton ...	1,110	1,110	1,110
Ulster A.1 per ton ...	1,110	1,110	1,110
BUTTER			
NZ per 20 kg ...	—	—	12.61/13.40
English per cwt ...	81.65	81.65	81.11
Danish salted per cwt ...	80.98	80.98/83.72	80.98/83.72
CHEESE			
NZ per tonne ...	—	—	—
English cheddar trade ...	—	—	—
Per tonne ...	—	—	—
EGGS*			
Home produced:			
Size 4 ...	4.50/5.00	3.10/3.40	3.00/3.20
Size 2 ...	5.30/5.60	3.90/4.20	3.50/4.00
	January 18	Week ago	Month ago
	p	p	p
BEEF			
Scottish killed sides ...	—	—	—
ex-KKCF ...	60.0/65.0	—	—
Eire forequarters ...	40.0/44.0	46.0/48.0	—
LAMB			
English ...	58.0/64.0	58.0/63.0	—
NZ PLs/PMs ...	—	—	—
PORK (all weights) ...	35.0/46.0	35.0/46.0	35.0/46.0
POULTRY			
Broiler chickens ...	36.0/38.0	36.0/38.0	36.0/38.0

* London Egg Exchange price per 120 eggs; † Delivered; ‡ Unavailable; § For delivery January 20-27.

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books — and forget it.

But for some wars live on. The disabled from both World Wars and from lesser campaigns, too easily forgotten; the widows, the orphans and the children — for them their war lives on, every day and all day.

In many cases, of course, there is help from the State. But there is a limit to what any Government Department can do.

This is where Army Benevolent steps in. With understanding. With a sense of urgency... and with practical, financial help.

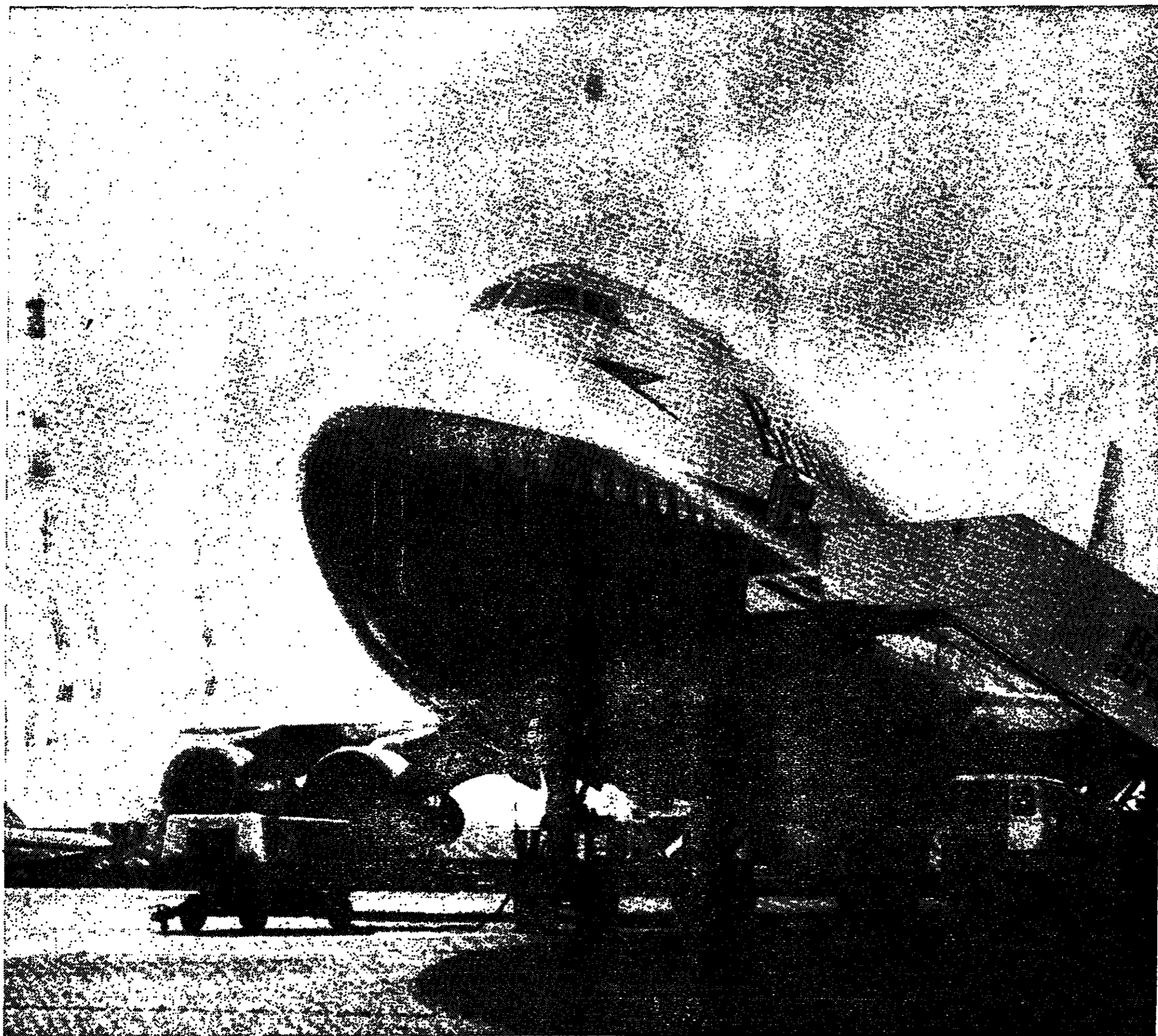
To us it is a privilege to help these brave men — and women, too. Please will you help us to do more? We must not let our soldiers down.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress
Dept. FT, Duke of York's HQ, London SW3 4SP

ALLEN HARVEY & ROSS INVEST. MANAGEMENT LTD.	
45 Cornhill, London, EC3V 3PB Tel: 01-623 6314	
Index Guide as at January 18, 1979	
Capital Fixed Interest Portfolio	100.11
Income Fixed Interest Portfolio	97.75
CLIVE INVESTMENTS LIMITED	
1 Royal Exchange Ave., London, EC3V 3AU, Tel: 01-252 2100	
Index Guide as at January 9, 1979 (Base 100 on 16.1.77)	
Clive Fixed Interest Capital	129.92
Clive Fixed Interest Income	116.68

PILKINGTON



They're in demand all over today's world. High-technology safety windscreens for cars and aircraft. Bullet and bandit resistant glass for vehicles and buildings.

They're the best. One of these windscreens recently achieved a record 18,000 hours service in a Boeing 747.

And they're developed and manufactured by Triplex — a member of the Pilkington Group and an important contributor to the £100m Pilkington earned for Britain last year.



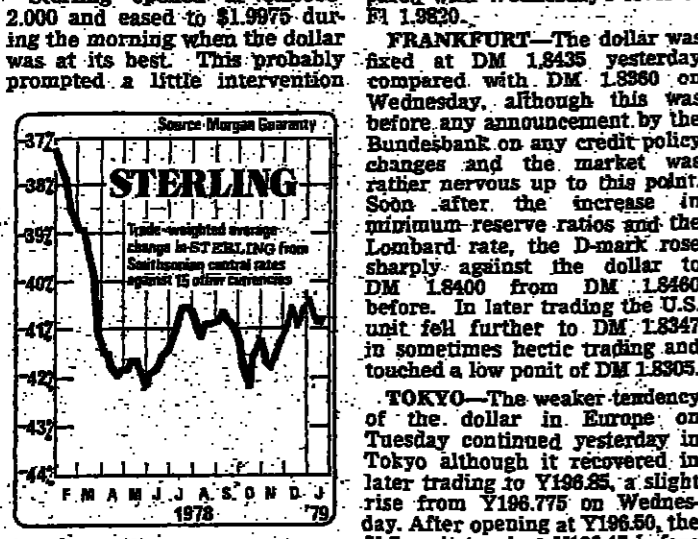
How's that for enterprise!

هكزا من الأصيل

CURRENCIES, MONEY and GOLD

Dollar falls in nervous trading

The dollar continued to lose ground in the foreign exchange market yesterday, despite support from some central banks...



by the Bank and with the dollar weakening in the afternoon, the pound reached its best level of \$2.0125.

Table with columns: THE POUND SPOT, FORWARD AGAINST £, Jan. 18, Day's Spread, Close, One month % p.a., Three months % p.a.

Table with columns: THE DOLLAR SPOT AND FORWARD, Jan. 18, Day's Spread, Close, One month % p.a., Three months % p.a.

Table with columns: CURRENCY RATES, CURRENCY MOVEMENTS, January 17, Special Drawing Rights Account, Bank of Morgan England Guaranty Index changes %.

Table with columns: OTHER MARKETS, Jan. 18, Argentina Peso, Brazil Cruzeiro, Canadian Dollar, etc.

Table with columns: EXCHANGE CROSS RATES, Jan. 18, Pound Sterling, U.S. Dollar, Deutsche Mark, etc.

Table with columns: EURO-CURRENCY INTEREST RATES, Jan. 18, Short term, 7 day's notice, Month, etc.

Table with columns: GOLD, Jan. 18, Gold Bullion (fine ounce), Gold Coins, International, etc.

INTERNATIONAL MONEY MARKET

Belgium cuts short-term rates

The Belgian National Bank yesterday announced further interest rate reductions by cutting the short-term rate...

Stronger tendency

GOLD continued to improve in the London bullion market yesterday in the wake of a further fall in the price of gold...

UK MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 12 1/2 per cent (since November 8, 1978)...

Table with columns: LONDON MONEY RATES, Jan. 18, Overnight, 2 days notice, 7 days notice, etc.

LEGAL NOTICES

No. 00224 of 1978 In the HIGH COURT OF JUSTICE Chancery Division...

No. 00267 of 1978 In the HIGH COURT OF JUSTICE Chancery Division...

No. 0040 of 1978 In the HIGH COURT OF JUSTICE Chancery Division...

DAEGENHAM PLANT HIRE LIMITED and IN THE MATTER OF THE COMPANIES ACT 1948...

IN THE MATTER OF J. W. GREER COMPANY LIMITED and IN THE MATTER OF THE COMPANIES ACT 1948...

IN THE MATTER OF TOWER TAVERN (ALDERSHOT) LIMITED and IN THE MATTER OF THE COMPANIES ACT 1948...

IN THE MATTER OF THE COMPANIES ACT 1948 NOTICE IS HEREBY GIVEN that the creditors of the above-named Company...

FRANCE Discount Rate 5.5, Overnight 7.0, One month 6.25, Three months 6.75, Six months 7.125

APPOINTMENTS

MANAGING DIRECTOR COMMERCIAL FINANCE Nigeria from 30,000 Naira. Our client is a recently formed company established primarily to factor commercial motor vehicle sales...

Currency and Foreign Exchange Dealer Luxembourg. A vacancy exists in our Currency & Foreign Exchange Department for a junior banker with a minimum of 3 years experience...

PUBLIC NOTICES

BRIGHTON BOROUGH COUNCIL £1.5m Bills, issued 17th January, 1979. CITY OF LIVERPOOL D.C. £1.5m Bills, issued 17th January, 1979...

THE ARAB COMPANY FOR DRUG INDUSTRIES AND MEDICAL APPLIANCES (ACDIMA)

A Pan Arab holding company established by the Council of Arab Economic Unity (Headquarters Cairo - Egypt) announces the vacancy of the post of FINANCIAL ECONOMIC DIRECTOR with rewarding salary...

LEGAL NOTICE

IN THE MATTER OF TOWER TAVERN (ALDERSHOT) LIMITED and IN THE MATTER OF THE COMPANIES ACT 1948...

YOUNG CHIEF ACCOUNTANT (Part Qualified) £6,000 p.a.

Paramount Pictures (UK) Ltd. is currently seeking a young Accountant. In his or her mid 20s, for a post of unusual scope and interest. You will be responsible for providing the full range of financial services and administration in the field of motion film production...

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

NORTH AMERICAN NEWS

American Motors maintains up-trend

By John Wyles in New York
AMERICAN MOTORS Corporation's spectacular success with its Jeep utility vehicle gathered pace in the last quarter...

National Airlines earnings benefit from new routes

BY JOHN WYLES IN NEW YORK

NATIONAL AIRLINES, currently the takeover target of three other U.S. carriers, yesterday announced a 280 per cent surge in net earnings...

Strong rise in profits at Chase Manhattan

By Our New York Correspondent

CHASE MANHATTAN, the second largest New York bank, yesterday reported a 90 per cent rise in earnings for all of 1978...

EUROMARKETS

A question of control

BY NICHOLAS COLCHESTER

DURING the past few months, there has been a renewed tendency to discuss supervision of the Euromarkets—the markets in which currencies are deposited and lent without being repatriated...

progress in increasing its surveillance of the foreign banking activities of U.S. banks. The German banking authorities are waging a difficult campaign to gain insight into the figures of the Luxembourg subsidiaries of the big German banks.

Litigation costs hit Westinghouse

BY DAVID LASCELLES IN NEW YORK

WESTINGHOUSE, THE large electrical engineering company, yesterday reported increased profits for 1978, but also revealed that costs arising out of its uranium litigation will be at least \$55m.

Bankers Trust makes headway

By Our New York Correspondent

RISING NET foreign income and strong foreign exchange earnings have contributed to a 36.6 per cent gain in earnings at Bankers Trust New York Corporation...

Big jump at Rockwell

PITTSBURGH—Rockwell International, the aerospace products manufacturer, reports a 50 per cent gain in first quarter net profits...

Steel outlook brightens in U.S.

BY STEWART FLEMING IN NEW YORK

GROWING OPTIMISM about the outlook for the U.S. steel industry was reinforced today by Mr. Lewis Foy, the chairman of Bethlehem Steel, the nation's second largest producer.

EUROBONDS

Eurofima raises DM10m

BY FRANCIS GHILES

A NEW DM100m issue for Eurofima, in the foreign Deutsche-Mark sector of the Eurobond market was announced yesterday by Deutsche Bank, the borrower.

Texas Oil growth

Texas Oil and Gas Corporation increased net earnings from 77 cents to 88 cents a share in the first quarter, with total net 34 per cent higher at \$19m.

Disquiet in the international capital markets arises from allegations that Euro-markets increase liquidity and thus fuel currency speculation; that they lead to imprudent lending; and that they also make for imprudent borrowing.

The third, which is a corollary of the second, is that banks drawing upon the Eurocurrency markets can provide loans which are imprudent for the borrower. Because the supply of funds from this market can short-circuit the rather limited supply of funds from official monetary agencies like the IMF...

Bankers insist that the parent banks under their control extend those controls to include their international branch networks.

The disadvantage of the first approach is that small and adventurous banking centres are unlikely to be interested in an international rule book. The advantage of the second is that if the parent banks from the major industrial countries agreed to a consistent approach to bank lending, a large proportion of Eurocurrency lending would, for a time at least, be brought under control.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns: U.S. DOLLAR, Issued, Bid, Offer, Change on day, Yield. Lists various international bonds like Argentina, Australia, Belgium, etc.

Table with columns: OTHER STRAIGHTS, Issued, Bid, Offer, Change on day, Yield. Lists various international bonds like Bank of Montreal, BNP, etc.

Table with columns: U.S. QUARTERLIES, Fourth quarter, 1978, 1977. Lists companies like Archer Daniels Midland, Pacific Lighting, etc.

Table with columns: CONVERTIBLE, Cw, Crv, Bid, Offer, Chg, Prem. Lists convertible bonds like Ailes, Baker Int'l, etc.

Table with columns: U.S. QUARTERLIES, Fourth quarter, 1978, 1977. Lists companies like Archer Daniels Midland, Pacific Lighting, etc.

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Advertisement for Banca Credito Agrario Bresciano, featuring the bank's logo, name, and a list of international branches including Bank of Montreal, BNP, etc.

INTERNATIONAL COMPANIES and FINANCE

Improvement in orders at GHF

BY ADRIAN DICKS IN BONN

WESTERN EUROPE'S largest mechanical engineering group, Gutehoffnungshuette Aktiengesellschaft, is expecting a further slight upward trend in new orders and in sales during the rest of the year...

Allianz holds dividend as premium income rises

BY GUY HAWTHORN IN FRANKFURT

ALLIANZ Lebensversicherungs West Germany's leading life insurer, proposes an unchanged 18 per cent dividend for 1978 after a year in which premium income rose 11.5 per cent...

Commission seeks wider disclosure legislation

BRUSSELS—The European Commission is seeking legislation that would require all companies that have a listing on any Common Market stock exchange to report financial data twice a year.

New force in French watch industry

By Terry Dodsworth in Paris

THE FRENCH watch-making industry, hit by the failure of the Lip group about five years ago, has received a significant new entry in the shape of Jaeger, one of the world's leading vehicle instrumentation companies.

Central bank tightens the strings

BY LEO GONZAGA IN MANILA

A TIGHTENING this week of the Philippines foreign exchange regulations has come at a time when banks and non-bank financial institutions have been looking overseas for expansion.

SBC acquires major hire purchase bank

By John Wicks in Zurich

SWISS Bank Corporation has acquired the leading hire purchase bank in Switzerland, Banque Procredit, whose last published balance sheet totalled SwFr 700m.

Electrode makers fined

By Leslie Collett in Berlin

THE WEST German Cartel Office has fined the major manufacturers of welding electrodes in West Germany a total of DM 598,000 for "price coordination".

Volker Stevin pays interim

By Charles Batchelor in Amsterdam

THE NEWLY formed Dutch construction and dredging group Volker Stevin will pay a 1978 interim dividend of Fl 2 cash per share.

Australia yesterday announced the appointment of a committee to make a wide-ranging inquiry into the working of the country's financial system—the first for 40 years.

A push for greater efficiency

BY JAMES FORTH IN SYDNEY

THE AUSTRALIAN Government has announced the establishment of a committee to undertake a wide-ranging and comprehensive inquiry into the Australian financial system.

Middle East air taxi and hotel arrange loans

BY RAMI G. KHOURI IN AMMAN

THE CAIRO-BASED multinational Arab commercial bank, the Arab African Bank, has signed two agreements here this week as the head of a consortium of banks leading two Jordanian companies a total of \$18m.

UOB extends takeover offer

SINGAPORE—United Overseas Bank has extended to February 19 its takeover offer for Singapore Finance on unchanged terms of one UOB share for every Singapore Finance share.

BHP steel output up

MELBOURNE—Australia's only raw steel maker, the Broken Hill Pty. Company (BHP), announced that its group steel production rose to 7.59m tonnes in the 1978 calendar year.

The Mitsui Trust and Banking Co., Limited

Negotiable Floating Rate U.S. Dollar Certificates of Deposit Maturity date 19 January 1981

US \$16,250,000 Notes due December 1, 1993

The undersigned assisted Scandinavian Airlines System in arranging the above financing from institutional investors in the United States, by placing a portion of the Notes and providing related advisory services.

Tokyo SE makes it cheaper

Tokyo SE makes it cheaper

By Richard Hanson in Tokyo

THE TOKYO Stock Exchange has decided to make it easier and, more significantly, cheaper for a foreign company to list its shares in Japan in hopes of reversing a trend towards fewer foreign listings.

US \$40,000,000 Notes due July 15, 1991

The undersigned arranged the private placement of the notes with institutional investors in the United States.

SEK AB SVENSK EXPORTKREDIT (Swedish Export Credit Corporation) US \$40,000,000 Notes due July 15, 1991

SAS SCANDINAVIAN AIRLINES SYSTEM DENMARK NORWAY SWEDEN US \$16,250,000 Notes due December 1, 1993

The Mitsui Trust and Banking Co., Limited Negotiable Floating Rate U.S. Dollar Certificates of Deposit Maturity date 19 January 1981

Offshore Mining Company Limited U.S. \$100,000,000 Guaranteed Floating Rate Notes due 1986

BANCO DE LA NACION ARGENTINA U.S.\$30,000,000 Floating Rate Notes 1983

KANSALLIS-OSAKE-PANKKI U.S.\$30,000,000 Floating Rate Capital Notes 1983

WORLD STOCK MARKETS

Companies and Markets

Early Wall St. rise on good earnings reports

INVESTMENT DOLLAR PREMIUM Effective \$2.0100 45 1/2 (45 1/2) OVERCOMING SOME initial

the fourth quarter rose at a seasonally adjusted 6.1 per cent annual rate. They said the GNP figures were very strong and may

utility taking at \$1.8bn on current prices. Mission Insurance hardened i to \$37 1/2. The company has

dealing yesterday, helped by a cut in the rate of inflation reported this morning by Statistics Canada and a firming

inclined on profit-taking. Losses recorded after the First Market section by 437 to 241, although

while elsewhere, Demag receded DM2.50. In the Domestic Bond market, interest concentrated on the

Indices NEW YORK - DOW JONES

Table with columns for 1978-79, 1977-78, and 1976-77. Rows include Industrial, Composite, and various sector indices.

STANDARD AND POORE

Table with columns for 1978-79, 1977-78, and 1976-77. Rows include Industrial, Composite, and various sector indices.

N.Y.S.E. ALL COMMON

Table with columns for 1978-79, 1977-78, and 1976-77. Rows include Industrial, Composite, and various sector indices.

MONTREAL

Table with columns for 1978-79, 1977-78, and 1976-77. Rows include Industrial, Composite, and various sector indices.

JOHANNESBURG

Table with columns for 1978-79, 1977-78, and 1976-77. Rows include Industrial, Composite, and various sector indices.

WEDNESDAY'S ACTIVE STOCKS

Table with columns for 1978-79, 1977-78, and 1976-77. Rows include Industrial, Composite, and various sector indices.

Closing prices and market reports were not available for this edition.

of 3.98. The NYSE All Common Index added 20 cents at \$85.34, while gains outpaced declines by

Avco, however, on lower fourth-quarter earnings, receded 1 1/2 to \$22 1/2.

Canada Markets mainly return to an upward track in moderate early

Tokyo Shares were again softer

Germany Irregular movements were recorded after what dealers called restrained trading caused

Australia

After the recent spell of profit-taking, markets put on a brighter performance yesterday on the

Germany

Irregular movements were recorded after what dealers called restrained trading caused by uncertainties preceding the

Australia

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Germany

Irregular movements were recorded after what dealers called restrained trading caused by uncertainties preceding the

NEW YORK

Table of stock prices for New York market, including companies like Abbott Labs, Am International, and various industrial stocks.

Stock

Table of stock prices for various companies, including Johnson & Johnson, Amgen, and various pharmaceuticals.

Stock

Table of stock prices for various companies, including Amgen, Amgen, and various pharmaceuticals.

Stock

Table of stock prices for various companies, including Amgen, Amgen, and various pharmaceuticals.

Stock

Table of stock prices for various companies, including Amgen, Amgen, and various pharmaceuticals.

Stock

Table of stock prices for various companies, including Amgen, Amgen, and various pharmaceuticals.

GERMANY

Table of stock prices for the German market, including companies like AEG, Allianz, and various industrial stocks.

TOKYO

Table of stock prices for the Tokyo market, including companies like Asahi Glass, Daiichi Kangaro, and various industrial stocks.

AUSTRALIA

Table of stock prices for the Australian market, including companies like BHP, Broken Hill, and various industrial stocks.

OSLO

Table of stock prices for the Oslo market, including companies like Bergens Bank, and various industrial stocks.

JOHANNESBURG

Table of stock prices for the Johannesburg market, including companies like Anglo American, and various industrial stocks.

EUROPEAN OPTIONS EXCHANGE

Table of European options exchange data, including series, volume, and price information.

BASE LENDING RATES

Table of base lending rates for various banks and financial institutions, including A.B.N. Bank, Allied Irish Banks, and others.

AMSTERDAM

Table of stock prices for the Amsterdam market, including companies like Ahold, Akzo, and various industrial stocks.

COPENHAGEN

Table of stock prices for the Copenhagen market, including companies like Andelsbanken, and various industrial stocks.

MILAN

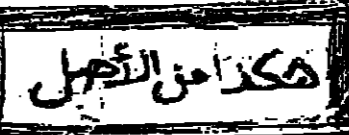
Table of stock prices for the Milan market, including companies like ANIC, and various industrial stocks.

VIENNA

Table of stock prices for the Vienna market, including companies like Creditanstalt, and various industrial stocks.

SPAIN

Table of stock prices for the Spanish market, including companies like Banco Bilbao, and various industrial stocks.



COMMON AGRICULTURAL POLICY

'Middlemen inflating food prices'

MIDDLEMEN ARE taking unfair advantage of food price rises according to farmers, thus making life more difficult for the housewife and worsening inflationary trends in the Common Market.

that nine national agricultural ministers should be allowed behind closed doors to decide "what price increases European farmers need and what burdens are to be imposed on European consumers."

UK cocoa demand 'disappointing'

COCOA PRICES rallied on the London futures market yesterday afternoon ending a five-day decline which at one stage had wiped £160 a tonne off nearby quotations.

Thailand alert boosts tin

TIN PRICES rallied strongly on the London Exchange yesterday following news of the military alert in Thailand—one of the world's leading tin producers.

Coffee fund claim

AN OFFICIAL report showing that traders in coffee-producing countries have bought substantial amounts of coffee on the New York market confirms the existence of a Latin American coffee price stabilisation fund, New York trade sources said yesterday.

World wheat output raised to new peak

WORLD WHEAT production is estimated to have reached a record 436m tonnes in 1978 according to the report issued by the International Wheat Council yesterday.

BRITISH COMMODITY MARKETS

Table with columns for Base Metals (Copper, Tin, Lead, Zinc), Rubber, and other commodities. Includes prices for various grades and quantities.

PRICE CHANGES

Table showing price changes for various commodities including Metals, Cocoa, Coffee, and Grains. Columns include commodity name, price, and change.

AMERICAN MARKETS

Table showing American market prices for commodities like Soybean Oil, Soybean Meal, and various grades of sugar.

EUROPEAN MARKETS

Table showing European market prices for commodities like Wheat, Barley, and various grades of sugar.

COMPANY NOTICES

BRAZILIAN EQUITY HOLDINGS SA. Registered Office: LUXEMBOURG, 15 rue Aldringen. Notice of Annual General Meeting of Shareholders.

GOLD NEWSLETTER

The International Bulletin giving up-to-the-minute information and analysis on the gold market.

HOLIDAY ACCOMMODATION

ALGARVE. Quinta do Saavedra. Villas from 500 to 1000. Restaurants. Horses. Linda Johnson, 01-937 5581.

TRAVEL

READ ALL ABOUT IT. The wonderful Greek Islands of Spis, Poros and Naxos. In the heart of the Aegean Sea.

OBITUARY

FRANK C. THRUSH. On January 11th, Frank Cyril, dearly loved and loving husband of Gwen, father of Peter, Colin, and John, died.

Wool Futures

LONDON GREASY CLOSURE (in order by buyer): March 202.0, 210.0; May 212.0, 218.0; July 218.0, 223.0; Oct 220.0, 226.0; Dec 221.0, 228.0; March 224.0, 230.0; May 230.0, 237.0; July 234.0, 241.0. Sales 6.

Wheat

LONDON FUTURES (GATTA)—The market opened 25c higher but was soon sold off by aggressive selling in the barley complex.

Grains

LONDON FUTURES (GATTA)—The market opened 25c higher but was soon sold off by aggressive selling in the barley complex.

Wool Futures

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HOLIDAY ACCOMMODATION

ALGARVE. Quinta do Saavedra. Villas from 500 to 1000. Restaurants. Horses. Linda Johnson, 01-937 5581.

Extra costs for UK shoppers

DEFENDERS OF THE COMMON Agricultural Policy are prone to claim that it ensures adequate supplies of food for member countries.

They also say, in the case of British food prices, that the Community has not been responsible for all the increases. Both statements are tendentious and deserve detailed examination.

For the record, Australian wheat is no longer on offer in Europe, and the future of the New Zealand butter quota is only being defended by what amounts to the British veto.

It could be drastically cut or even extinguished by the early 1980s. If there were the least possibility that food would be available in short permanent quantities throughout the world, there would be some justification for the security theme.

A depressing year for British foresters

THE TOTAL area of land for forestry planted in 1978 was 240 per cent and 280 per cent respectively.

The total area of land fit for planting acquired during the year was only 6,507 hectares compared with a target set by the Commissioners of 18,000

AMERICAN MARKETS

NEW YORK, Jan. 18. Silver—Jan 243.75 (226.00), Feb 243.75 (226.00), Mar 243.75 (226.00).

EUROPEAN MARKETS

ROTTERDAM, Jan. 18. Wheat—U.S. No. 2 Dark Hard Winter 13.50 per cent, Jan-Mar 517. U.S. Hard Winter wheat January 515F.

INDICES

Table showing financial times indices for various months and years.

MOODY'S

Table showing Moody's indices for various months and years.

REUTERS

Table showing Reuters indices for various months and years.

Chinese grain areas need extra rain

PEKING—Above average rainfall is needed between now and May to ensure normal Chinese winter wheat and early rice crops north of the Yangtze river, foreign agricultural sources said here yesterday.

Loan boost for Indian tea growers

THE INDIAN Tea Board has increased the loans available to tea gardens under its plantation finance scheme by 78 per cent to encourage the expansion of tea acreage.

Wool Futures

LONDON GREASY CLOSURE (in order by buyer): March 202.0, 210.0; May 212.0, 218.0; July 218.0, 223.0; Oct 220.0, 226.0; Dec 221.0, 228.0; March 224.0, 230.0; May 230.0, 237.0; July 234.0, 241.0. Sales 6.

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LONDON GREASY CLOSURE (in order by buyer): March 202.0, 210.0; May 212.0, 218.0; July 218.0, 223.0; Oct 220.0, 226.0; Dec 221.0, 228.0; March 224.0, 230.0; May 230.0, 237.0; July 234.0, 241.0. Sales 6.

Wool Futures

LONDON GREASY CLOSURE (in order by buyer): March 202.0, 210.0; May 212.0, 218.0; July 218.0, 223.0; Oct 220.0, 226.0; Dec 221.0, 228.0; March 224.0, 230.0; May 230.0, 237.0; July 234.0, 241.0. Sales 6.

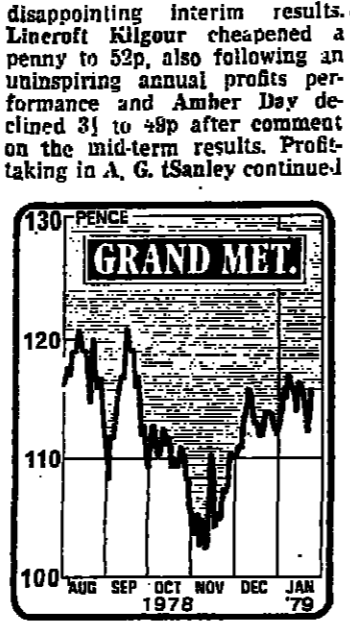
LONDON STOCK EXCHANGE

Companies and Markets

Markets still nervous about industrial situation but much steadier after Wednesday's sharp reaction

Account Dealing Dates
Option
First Declara- Last Account
Dealings tons Dealings Day
Jan. 2 Jan. 12 Jan. 23
Jan. 15 Jan. 25 Jan. 26 Feb. 6

Markets held relatively steady yesterday in the face of the lukewarm reception given by the public service unions to the Government's concessions on pay and the lack of any favourable developments in the damming road haulage situation. Further consideration of the proposals aimed at tougher price controls in the equity sector and continued selling of the leaders, albeit on a much lesser scale than on Wednesday.



Midland dip and rally
Publication of the merger terms involving Sedgwick Forbes and Midland Bank's associate Bland Payne prompted an early fall of 8 in Midland before a rally left them a penny firmer on balance at 376p.

disappointing interim results. Linofit Kilgour cheapened a penny to 53p, also following an uninspiring annual profits performance and Amber Day declined 31 to 48p after comment on the mid-term results. Profit-taking in A. G. Isanley continued of the annual results due next on Wednesday.

Marked up 4 1/2 the previous evening on news of the bid approach from Eagle Star, English Property softened a penny to 43p awaiting further news of the discussions which may lead to a fresh offer being made for English to rival the 37p per share bid currently on the table from Wereldnave.

balance at \$231.75 per ounce for a three-day gain of \$14.75 prompted a flurry of buying of Golds in the late trade after they had drifted in idle trading for most of the day.

FINANCIAL TIMES STOCK INDICES
Table with columns: Index, Jan. 17, Jan. 18, Jan. 19, Jan. 20, Jan. 21, Jan. 22, Jan. 23, Year to date. Rows include Government Secs, Fixed Interest, Industrial, Gold Mines, Ord. Div. Yield, etc.

HIGHS AND LOWS S.E. ACTIVITY
Table with columns: High, Low, High, Low, Daily, etc. Rows include Govt Secs, Fixed Int., Ind. Ord., Gold Mines, etc.

NEW HIGHS AND LOWS FOR 1978/9
Table with columns: Share, Information, Date, etc. Rows include various companies like BHP, Anglo American, etc.

APPOINTMENTS

Delta Metal main Board posts

Mr. G. J. H. Rainey, previously the group's financial controller, has been appointed to the Board of the DELTA METAL COMPANY as financial director. Mr. R. A. H. Thomas, who remains chairman of Delta's components division, has also joined the main board.



Mr. R. A. H. Thomas

Mr. James F. Hayes, Jr., has joined the London office of RUSSELL REYNOLDS AND CLARKE INC. as a vice president in the Middle East Department. He was formerly a vice president of Texas Commerce Bank, NA, and the bank's representative in the Middle East.

LONDON TRADED OPTIONS

Table with columns: Option, Exercise, Closing price, Vol., etc. Rows include BP, Shell, Glaxo, Grand Met, etc.

RECENT ISSUES

Table with columns: Issue Price, Annual Dividend, etc. Rows include various company issues.

FIXED INTEREST STOCKS

Table with columns: Issue Price, Annual Dividend, etc. Rows include various fixed interest stocks.

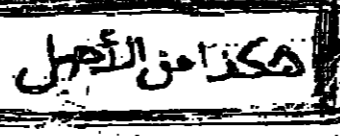
"RIGHTS" OFFERS

Table with columns: Issue Price, Latest Reported Date, etc. Rows include various rights offers.

FT-ACTUARIES SHARE INDICES

Large table with columns: Index No., Day's Change, etc. Rows include various equity groups and sub-sections like CAPITAL GOODS, CONSUMER GOODS, etc.

AUTHORISED UNIT TRUSTS



OFFSHORE AND OVERSEAS FUNDS

Table of financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

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INSURANCE AND PROPERTY BONDS

Table titled 'CORAL INDEX: Close 473-478' and 'INSURANCE BASE RATES' showing various rates and indices.

Table of financial data for various insurance and property bonds, including columns for fund names and values.

Table of financial data for various insurance and property bonds, including columns for fund names and values.

Table of financial data for various insurance and property bonds, including columns for fund names and values.

NOTES

Text providing additional information and notes related to the financial data presented in the tables.

CTL The British computer systems and software company

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BONDS & RAILS—Cont.

BANKS & HP—Continued

CHEMICALS, PLASTICS—Cont.

ENGINEERING—Continued

Table listing various food and grocery items with columns for stock, price, and other financial data.

HOTELS AND CATERERS

Table listing hotels and caterers with columns for stock, price, and other financial data.

INDUSTRIALS (Misc.)

Large table listing various industrial companies with columns for stock, price, and other financial data.

Table of bond and rail data with columns for stock, price, and yield.

Table of bank and hire purchase data with columns for stock, price, and yield.

Table of chemicals and plastics data with columns for stock, price, and yield.

Table of engineering data with columns for stock, price, and yield.

BRITISH FUNDS

Table listing various British funds with columns for stock, price, and yield.

AMERICANS

Table listing American stocks with columns for stock, price, and yield.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies with columns for stock, price, and yield.

DRAPERY AND STORES

Table listing drapery and store companies with columns for stock, price, and yield.

Five to Fifteen Years

Table listing funds with a 5 to 15 year maturity.

Over Fifteen Years

Table listing funds with a maturity over 15 years.

CANADIANS

Table listing Canadian stocks with columns for stock, price, and yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road companies with columns for stock, price, and yield.

ELECTRICAL AND RADIO

Table listing electrical and radio companies with columns for stock, price, and yield.

Undated

Table listing undated funds with columns for stock, price, and yield.

INTERNATIONAL BANK

Table listing international bank data with columns for stock, price, and yield.

BANKS AND HIRE PURCHASE

Table listing bank and hire purchase data with columns for stock, price, and yield.

COMMONWEALTH & AFRICAN LOANS

Table listing commonwealth and African loan data with columns for stock, price, and yield.

CORPORATION LOANS

Table listing various corporation loans with columns for stock, price, and yield.

Public Bonds and Ind.

Table listing public bonds and industrial data with columns for stock, price, and yield.

Financial

Table listing financial data with columns for stock, price, and yield.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rail data with columns for stock, price, and yield.

EDITORIAL OFFICES

Editorial offices for Financial Times in London, Frankfurt, and other international locations.

FINANCIAL TIMES

Published in London & Frankfurt. Head office: Bracken House, 10, Cannon Street, London EC4A 4BY.

EDITORIAL OFFICES

Editorial offices for Financial Times in Manchester, New York, and other international locations.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for stock, price, and yield.

ENGINEERING

Table listing engineering companies with columns for stock, price, and yield.

EDITORIAL OFFICES

Editorial offices for Financial Times in London, Frankfurt, and other international locations.

ADVERTISING OFFICES

Advertising offices for Financial Times in London, Frankfurt, and other international locations.

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Advertising offices for Financial Times in London, Frankfurt, and other international locations.

INDUSTRIALS—Continued

Table of Industrial stocks including companies like BHP, Anglo American, and various mining companies with columns for name, price, and other data.

INSURANCE—Continued

Table of Insurance stocks including companies like British Overseas Airways, Shell, and various insurance providers.

PROPERTY—Continued

Table of Property stocks including companies like British Overseas Airways, Shell, and various property-related firms.

INVESTMENT TRUSTS—Cont.

Table of Investment Trusts including various trusts like British Overseas Airways, Shell, and others.

FINANCE, LAND—Continued

Table of Finance and Land stocks including companies like Anglo American, BHP, and various financial institutions.

LEISURE

Table of Leisure stocks including companies like British Overseas Airways, Shell, and various leisure-related firms.

MOTORS, AIRCRAFT TRADES

Table of Motors and Aircraft Trades stocks including companies like British Overseas Airways, Shell, and various automotive firms.

Commercial Vehicles

Table of Commercial Vehicles stocks including companies like British Overseas Airways, Shell, and various commercial vehicle manufacturers.

Components

Table of Components stocks including companies like British Overseas Airways, Shell, and various component manufacturers.

Garages and Distributors

Table of Garages and Distributors stocks including companies like British Overseas Airways, Shell, and various garage and distributor chains.

NEWSPAPERS, PUBLISHERS

Table of Newspapers and Publishers stocks including companies like British Overseas Airways, Shell, and various media companies.

PAPER, PRINTING

Table of Paper and Printing stocks including companies like British Overseas Airways, Shell, and various paper and printing firms.

SHIPBUILDERS, REPAIRERS

Table of Shipbuilders and Repairers stocks including companies like British Overseas Airways, Shell, and various shipbuilding firms.

SHIPPING

Table of Shipping stocks including companies like British Overseas Airways, Shell, and various shipping companies.

SHOES AND LEATHER

Table of Shoes and Leather stocks including companies like British Overseas Airways, Shell, and various footwear manufacturers.

SOUTH AFRICANS

Table of South African stocks including companies like British Overseas Airways, Shell, and various South African firms.

TEXTILES

Table of Textiles stocks including companies like British Overseas Airways, Shell, and various textile manufacturers.

TOBACCO

Table of Tobacco stocks including companies like British Overseas Airways, Shell, and various tobacco companies.

PROPERTY

Table of Property stocks including companies like British Overseas Airways, Shell, and various real estate firms.

TRUSTS, FINANCE, LAND

Table of Trusts, Finance, and Land stocks including companies like British Overseas Airways, Shell, and various trust and financial firms.

DAIWA BANK logo and text: 'a fully integrated banking service', 'Head Office: Osaka, Japan'.

MINES—Continued

Table of Mines stocks including companies like Anglo American, BHP, and various mining companies.

TINS

Table of Tins stocks including companies like Anglo American, BHP, and various tin companies.

COPPER

Table of Copper stocks including companies like Anglo American, BHP, and various copper companies.

MISCELLANEOUS

Table of Miscellaneous stocks including companies like Anglo American, BHP, and various miscellaneous firms.

GOLDS EX-GRANDIS

Table of Golds Ex-Grandis stocks including companies like Anglo American, BHP, and various gold mining companies.

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominated in sterling. Estimated indications of rates and coverages are based on anticipated reports and accounts, and where possible, are updated on half-yearly figures. P.F.E.s are calculated on the basis of net assets divided by the number of shares.

MINES

Table of Mines stocks including companies like Anglo American, BHP, and various mining companies.

CENTRAL RAND

Table of Central Rand stocks including companies like Anglo American, BHP, and various Central Rand firms.

EASTERN RAND

Table of Eastern Rand stocks including companies like Anglo American, BHP, and various Eastern Rand firms.

W.F. WEST RAND

Table of W.F. West Rand stocks including companies like Anglo American, BHP, and various W.F. West Rand firms.

O.F.S.

Table of O.F.S. stocks including companies like Anglo American, BHP, and various O.F.S. firms.

REGIONAL MARKETS

Table of Regional Markets including various regional stock exchanges and indices.

DIAMOND AND PLATINUM

Table of Diamond and Platinum stocks including companies like Anglo American, BHP, and various diamond and platinum firms.

CENTRAL AFRICAN

Table of Central African stocks including companies like Anglo American, BHP, and various Central African firms.

OPTIONS

Table of Options stocks including companies like Anglo American, BHP, and various options firms.



Vent-Axia The first name in unit ventilation... look for the name on the product.

Rail hopes fade as ASLEF calls strike

By Philip Bassett, Labour Staff PROSPECTS OF an early settlement to the rail dispute worsened significantly yesterday when the train drivers' union ASLEF called a further one-day national strike next week and withdrew from national pay talks...

The union is claiming across-the-board increases of 10 per cent, or about £6 a week. Under its productivity package, the British Railways Board is prepared to meet the claim, but has attached conditions of manning cuts and changes in work patterns which the union says are unacceptable.

Progress on the claim has been held up because the larger National Union of Railwaysmen, whose members include most other manual grades as well as some drivers, has withdrawn from all national productivity negotiations which involve manning reductions. The union claims that up to 20,000 jobs could be lost under the proposals.

Negotiations The Board attempted to get talks going on the ASLEF claim today by bringing forward the first round of negotiations on the rail unions' annual pay claim, which were due to begin next week.

The NUR and the Transport Salaried Staffs, which represents about 48,000 white collar railway staff, were ready to attend the talks, but Mr. Buckton said yesterday that his union would not agree to begin negotiations on the claim until the Board honoured its agreement to deal with the union's 10 per cent claim in a joint working party on productivity.

Yesterday's decision is unlikely to have any serious effect on the timing of the annual pay settlement, not due until April 23, for the rail unions were expected to put off reaching any agreement until the general level of public sector settlements had emerged.

The ASLEF decision, though, will further strain relations between the unions since the NUR is pressing strongly for the start of talks which might lead, without manning cuts, to some sort of extension of the national productivity scheme, which yields payments of about 2.5 per cent.

Sir Peter Parker, chairman of British Rail, said last night that the prospect of further action was "intolerable." British Rail was losing £5m each day of the strike.

Industry slows rate of layoffs By John Elliott, Industrial Editor EFFORTS BY manufacturing industry to maintain production in spite of the long strike have led the Government to revise the estimates of the number of people laid off.

It agrees that there is no prospect of 1m people being out of work by this weekend. Rough estimates drawn up by Whitehall suggest that between 125,000 and 150,000 people are laid off.

BRITAIN CHALLENGES FRENCH FARM PRICE PLAN Bigger surpluses feared

THE BRITISH Government is seriously concerned about the possible consequences of French attempts to change pricing arrangements for agricultural trade in the EEC. The fear in London is that France's demands could lead to big increases in farm surpluses that would steeply raise both the total cost of the Community's Common Agricultural Policy and the UK's contribution to it. New Whitehall estimates of the likely extra costs involved were behind remarks by Dr. David Owen, the Foreign Secretary, in Brussels earlier this week. In what is seen in London as a first "shot across the bows" of the other EEC Governments, Dr. Owen made it clear that the UK does not consider the current argument over farm prices, to be a bilateral dispute between Paris and Bonn as had appeared. France has said that agreement must be reached in phasing out the so-called monetary compensatory amounts applied to farm trade (MCAs) before the planned European Monetary System can go ahead. MCAs, in effect, subsidise agricultural imports and exports, are intended to neutralise the impact of changing exchange rates on the Community's common farm prices. If they were abolished, prices paid to farmers in strong currency countries like West Germany would go down, while farmers in countries like France and Britain would receive much more.

SKF plans to stop making bearings at Irvine plant

SKF, the Swedish-owned international bearings manufacturer, plans to stop production of ball and roller bearings at Irvine, Ayrshire, one of the group's two major factories in the UK. The announcement yesterday means that 600 jobs out of a total 800 at Irvine will probably disappear. It seems unlikely that such a large number of jobs could be absorbed elsewhere in the group. If so, it would be the first time that SKF has made enforced redundancies in this country. SKF, Britain's second largest bearings manufacturer, has been losing market share in the UK in the face of intense competition in a stagnant market. The company lost £6.5m in 1977 and an estimated £5m in 1978. It is the largest bearings manufacturer in the world, with production in Sweden, France, Germany, Italy, the U.S., and parts of the developing world. The group's profitability has been under pressure for three years as industrial production, in Europe in particular, became largely stagnant. The Japanese onslaught on the volume bearings market has compounded the problem for SKF and other European bearings manufacturers. The group's problems in bearings manufacture are not confined to the UK, France, and to a lesser extent Sweden, returned losses last year. It has increasingly clear that productivity in the UK has been poor, and Irvine which has recently lost 800 steel jobs at Glangarnock and faces 1,000 redundancies at Massey-Ferguson, Kilmarnock. Shop stewards at Irvine expressed disappointment at yesterday's announcement, but will not make an official response until today. SKF has steadily reduced its work force at its UK bearing plants in the past few years only recently completing the final closure of its Luton plant.

Two sites Mr. Carl-Otto Blomberg, the Swedish managing director of SKF (UK) appointed three years ago to improve performance, said that the company could not support the continuing high level of losses resulting from manufacturing on two separate sites.

Money supply growth picks up after November standstill

MONEY SUPPLY growth picked up again last month after a virtual standstill in November, but remained within the official target range for expansion. Figures published yesterday by the Bank of England show that domestic credit expanded considerably faster than in recent months. Bank lending increased more rapidly than in any month since the summer, though the rise remained below the high levels of half-year ago. There was a continuation of the trend, temporarily reversed in November, toward forms of credit outside the banking system, presumably due to the impact of the official corset controls on bank lending. In the month to mid-December, sterling M3, the broader measure of money supply including cash, current and seven-day bank deposits, increased by £471m after seasonal adjustment, a rise of 1 per cent. This was at the top end of City expectations after last week's banking figures. Sterling M3 appears to be increasing at an underlying annual rate of about 10 per cent, the middle of the 8-12 per cent target range for growth which was rolled forward in October for the coming 12-month period. In the last three months, the shortest period which can satisfactorily be expressed as an annual rate, M3 has expanded at a rate of 9 1/2 per cent a year. Unusually high purchases of tax certificates of deposit by the private sector in the £390m, compared with £343m in November. The Central Government borrowing requirement was £562m, against £847m in the previous month. There was a big turn-around in sales of certificates of tax deposit. Net take-up was £334m in December, compared with net surrenders of £251m in November. Tables Page 6

UK-Mexico oil deals planned

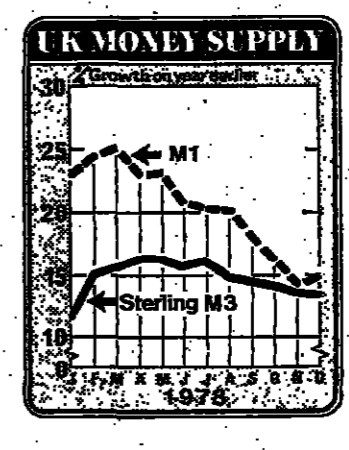
energy-related industries worth many hundreds of millions of pounds are the subject of talks between Britain and Mexico. This was announced yesterday by Dr. Dickson Mabon, Minister of State for Energy, who has just returned from a visit to the U.S. and Mexico. Dr. Mabon emphasised the importance of some of the topics likely to be discussed at a meeting to be held in London in March between a delegation from the Organisation of Petroleum Exporting Countries and four non-OPEC oil-producing countries, including Britain. Among the industrial deals between Britain and Mexico mentioned by Dr. Mabon were: Swap arrangements between the British National Oil Corporation and PEMEX, the Mexican State oil concern, involving light North Sea crude and heavy Mexican crude. The possibility of British Shipbuilders setting up a joint operation in Mexico with Mexi-

THE LEX COLUMN

Grand Met wins at home, loses away

The kind of British company that did well in 1978 was one with a good solid home market business in areas close to the consumer, without too much exposure to imports and without too many overseas activities. Grand Metropolitan fits that description pretty closely, and it has ranged home with a pre-tax profit gain of 50 per cent to £115.9m—though the advance would have been a less startling 30 per cent or so without the once and for all cosmetic benefit of loak stock conversion, which has conjured away £11.5m of interest charges but has added £8.6m to the net dividend cost. Grand Met does, of course, have a number of overseas interests, and by and large these have been the weak links in the chain. The German brewing side had a setback, while selling whisky into the U.S. market was not much fun against a weak dollar and in Canada currency weakness turned a modest local advance into a setback in sterling terms.

Index rose 05 to 474.5



By contrast the UK businesses have been responding strongly to a pick-up in real disposable incomes which became especially noticeable by the second half. In the important hotels and catering division, which takes in managed pubs, trading profits growth accelerated from 13 to 36 per cent between the two half-years. The other division to show a big second half advance was betting, where favourable conditions for the bookies helped to push up profits in April-September by 52 per cent. For the rest, the Express Dairy side achieved a solid performance, but brewing and catering divisions were sluggish (though their results would have looked better without the overseas content). Grand Met by now has three very prosperous months of its new financial year under its belt but bad weather and threatened (though not yet actual) strike disruption are slowing the pace a little. A bigger threat could be a Price Commission investigation—currently in progress—but the Commission will have to be very mean to upset expectations of comfortably over £18m pre-tax this year. Up 3p to 115 1/2, the shares yield 6.3 per cent.

German money Given the heavy German support for the U.S. dollar in recent months, yesterday's credit tightening measures by the Bundesbank were not altogether surprising. Intervention has played havoc with the German money supply targets —M3 has been rising at an annualised 18.6 per cent over the last three months—and with the economic recovery picking up speed the Germans are obviously conscious of the inflationary implications of not keeping control of the monetary aggregates. For comparison, in the UK sterling M3 was showing annualised growth of 9 1/2 per cent in October-December. The snag is that the lifting of the Lombard rate to 4 per cent and the increased reserve requirements will tend to push other German interest rates higher and this can only accentuate the foreign exchange markets' unease about the effectiveness of last November's support package for the dollar. It is generally reckoned that around a quarter of the \$30bn package has been utilised to date and after the initial boost the dollar has fallen back to DM 1.8350. Yesterday, gold closed at \$314 1/2 —a gain of \$15 over the last three days—and the price of silver reached a new peak on the London Metal Exchange. The foreign exchange markets are now watching nervously to see whether the Mark/dollar rate can be held above the DM 1.80 level.

Insurance merger Sedgwick Forbes' acquisition of fellow insurance broker Island Payne from the Midland Bank will, as expected, lead to a very big secondary offering of its shares on the stock market. Midland is hanging on to an investment of 10.5 per cent in the enlarged company, and is selling off shares worth £63.7m mostly by way of rights to its own shareholders. It is quite right that Midland should give its shareholders the right to participate if they want to—but they are not being offered any great bargain. The S. and W. Berisford's margins improved sharply in the second half of the year to September 1978 and the year's pre-tax profits, up 33 per cent at £31.36m, demonstrate the group's ability to increase earnings even when conditions in the commodity markets are not ideal—trading volume and volatility were not up to 1977 levels. Berisford has a broader spread of activities than, for example, Gill and Duffus, and retained profits have allowed it to enlarge its commodity book. Strong sterling produces no problems as the great bulk of earnings arises in the UK, while if commodity markets were not volatile, currency markets certainly were. The secondary metals subsidiary, Tom Martin, had an excellent year. At 161p the share stands on a p/e of 4.8, but this rises to 9.1 fully taxed, and the yield of 4.3 per cent has not yet been helped by the cover rule. The fact that profits are well above expectations should have favourable implications for the current year, if it means that Berisford is so confident that it has not seen the need to spread something forward into 1979-79. Or it could be that the group intends to use its paper, and wants to get the profits into the share price.

Weather

UK TODAY MOSTLY cloudy and windy with occasional rain or snow. London, S.E., E. & A. Anglia, Cent. S. England, Midlands, E. S. Wales, S.W. England, Channel Isles Occasional rain or snow, fresh to strong wind with gales in places. Max. 2C (36F). N.E. England, S. E. and Cent. Scotland, Highlands, Orkney, Shetland Occasional rain or snow. Max. 2C (37F). N. Wales, N.W. England, Lakes, Isle of Man, Argyll, Western Isles, N. Ireland Occasional rain or snow, some brighter intervals. Max. 4C (39F). Outlook: Outbreaks of sleet or snow, turning to rain in south, windy, frost in places.

Table with columns for Business Centres and Holiday Resorts, listing cities and their weather conditions.

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